

## Scott Morrison: the buck stops with me on \$443m reef grant

exclusive

Rosie Lewis, Reporter, 12:00AM October 1, 2018

Scott Morrison has taken responsibility for the Coalition's controversial \$443.3 million grant to the Great Barrier Reef Foundation while launching a staunch defence of the one-off payment, declaring it made "financial sense".

Attempting to set the record straight following months of pressure from Labor and the Greens over the payment, which did not go through a tender process, the Prime Minister told The Australian that government organisations could also use the money if they had suitable projects.

The federal government awarded the grant to the charity after then prime minister Malcolm Turnbull and former environment minister Josh Frydenberg held a private meeting with its chairman, John Schubert, in early April.

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The Australian revealed Mr Turnbull met Dr Schubert to tell him of the grant just 11 days after cabinet's expenditure review committee decided to "seek a commercial partner" for a reef plan. The foundation had just six full-time staff members.

"As treasurer, I was looking for the most effective way to make this significant and urgent commitment to the future of the reef, while at the same time protecting our return to a balanced budget at the earliest opportunity," Mr Morrison said yesterday. "Given this was a one-off investment into ongoing

research, restoration and protection, and the financial situation was improving in 2017-18 as we were pulling the budget together, it made financial sense to consider doing this investment in one instalment, if it were also able to achieve the environmental objectives for the reef.

“On this basis, the department and the minister (Mr Frydenberg) brought forward a proposal that achieved this objective, while additionally providing an opportunity to leverage the government’s investment from the private sector and ensure independence in how the funds were dedicated to important reef projects, free of political interference, that was set out by the government in the funding agreement.”

Greens senator Peter Whish-Wilson, who chairs a Senate inquiry looking into the grant, told The Australian the committee had sent about a dozen questions to Mr Turnbull — who is holidaying in New York — and reserved its right to compel him to appear as a private citizen. Among the questions is whose idea the grant was.

Mr Morrison said what mattered was that “important projects” get funded to ensure the future of the reef, and the decision from the 2018-19 budget “enabled this to happen”.

Pointing out the GBRF was the “biggest and longest running” charity operating to protect the reef, Mr Morrison said: “We don’t think public servants and government agencies have all the answers, and on occasions it makes sense to consider other ways of doing things.

“There is no impediment for government organisations like the Great Barrier Reef Marine Park Authority, or the CSIRO, being funded for projects as part of this process, should their projects match the priorities set out in the funding agreement with the commonwealth and the Great Barrier Reef Foundation.”

Labor has pledged to make the payment an election issue, revealing last month it would ask the foundation to return any unspent money if Labor formed government. The grant was transferred in one lump sum on June 28 and is being held across six term deposits.

Opposition Treasury spokesman Chris Bowen hit out at Mr Morrison on the weekend, declaring he was “personally responsible for the most reckless piece of financial maladministration in living memory”. “It’s clear Scott Morrison is responsible for trying to privatise the management of the Great Barrier Reef,”

Mr Bowen said in a joint statement with frontbenchers Anthony Albanese and Jim Chalmers. “A Shorten Labor government will terminate the grant agreement between the Environment Department and the Great Barrier Reef Foundation and demand the foundation return unspent funds. All recovered funds will be invested in the Great Barrier Reef via government agencies.”

The Finance Department had recommended just \$200m be set aside to protect the Great Barrier Reef over six years, also revealed by The Australian, but the ERC took a different option. The Senate committee, which is dominated by Labor and the Greens, is due to report on the grant by October 16.

Additional Reporting: Ben Packham