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October 9, 2017

Committee Secretary  
Select Committee into the Political Influence of Donations  
Department of the Senate  
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**Re: Inquiry into the Political Influence of Donations**

Dear Chair and Members:

Many thanks for the opportunity to comment to you again on: 'Questions relating to campaigning, influence and regulation'. We would value an opportunity to address the committee, preferably in Melbourne.

Well-regulated, not-for-profit charities, with public interest goals, registered with the Australian Charities and Not-for-profits Commission ('Australian Registered Charities') or on the four Special Registers, are not the major source of flaws that donations and sinecures create in the present system.

So the Senate Committee should primarily focus on the big money, influence peddling, and hidden donations that corporate and criminal enterprises mobilise to suborn members of parliament, political parties, candidates and party officials.<sup>1</sup> These distort Australia's elections and policy-making processes, creating major challenges to the well-being and integrity of Australia's political and legal institutions.<sup>2 3</sup>

Coupled with the well-documented revolving door<sup>4</sup> that exists between politics, industry groups, industry associations, and lobbying firms, political donations are instrumental in the disproportionate influence that vested commercial and criminal interests exercise over governments and other political entities.

Transparency International's recent report on mining approvals in Australia,<sup>5</sup> for instance, investigates the risks that corruption, political donations, the revolving door, and personal relations between government, members of parliament, regulators and industry pose to good governance. Their report is attached as Appendix 1 to this submission, as their findings apply broadly and offer examples similar to those that we

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<sup>1</sup> NSW Liberal president Downy quits to take Star casino job, Sean Nicholls and Murray Trembath, St George and Sutherland Shire Leader, 5 Aug 2015. <http://www.theleader.com.au/story/3259330/nsw-liberal-president-downy-quits-to-take-star-casino-job/?cs=1507> (All web references accessed 9/10/17)

<sup>2</sup> Secret tapes reveal Liberal insider's plot to deliver alleged Mafia donations to Matthew Guy, Four Corners, Nick McKenzie, et. al., 9 Aug 2017. <http://www.abc.net.au/news/2017-08-09/liberal-insiders-plot-to-deliver-donations-to-matthew-guy/8787118>

<sup>3</sup> Australia's political donations system makes politics vulnerable to the Mafia, Stephen Bennetts, Anna Sergi. <http://www.smh.com.au/national/australias-political-donations-system-makes-politics-vulnerable-to-the-mafia-20150728-gilyuu.html>

<sup>4</sup> The revolving door: why politicians become lobbyists, and lobbyists become politicians, The Conversation, George Rennie, PhD Candidate, UniMelb, September 22, 2016 <https://theconversation.com/the-revolving-door-why-politicians-become-lobbyists-and-lobbyists-become-politicians-64237>

<sup>5</sup> App. 1. Transparency International Australia, Corruption Risks: Mining approvals in Australia. Mining for Sustainable Development Programme, October 2017. [http://transparency.org.au/tia/wp-content/uploads/2017/09/M4SD-Australia-Report\\_Final\\_Web.pdf](http://transparency.org.au/tia/wp-content/uploads/2017/09/M4SD-Australia-Report_Final_Web.pdf)

give in the context of agribusiness' influence on the assessment, approval and licensing of agricultural chemicals and genetically manipulated crops.

Self-serving corporations, criminals and agents of influence for hire, pose big threats to our democracy. Yet they are far less well-regulated than the public interest sector, are better resourced, and can claim lobbying, policy, public relations costs and political donations, as the tax-deductible expenses of doing business.

Corporations and criminals also set up and use not-for-profit entities (distinct from and outside the regulatory framework for Registered Charities) that are largely unconstrained from using their financial clout and connections to engage in direct advocacy and campaigns that shape public and political opinion for their own ends.

They require more diligent scrutiny and regulation to protect our society from their excesses than the present system now provides so the committee should focus on this task. To effectively promote the integrity of Australian politics, the Committee needs to deal robustly with the corrupting influence of big money and vested interests. But, for instance, some members of the Joint Standing Committee on Electoral Matters and individual MPs have sought to muddy the focus with adverse comment on the legitimate and approved activities of public interest charities, which are already well-regulated and compliant with the law.

## **Recommendations**

- Establish and well-resource a National Independent Commission Against Corruption;
- Review all aspects of the Australian Government Register of Lobbyists<sup>6</sup> including the Code of Conduct, the requirements and criteria for the inclusion of organisations and individuals on the register, and the scope, scale and nature of the activities that qualify for registration;
- Disqualify all parliamentarians for five years following their resignation or retirement from Parliament, or losing their seat at an election, from filling senior roles in the industries they governed as Ministers or Parliamentary Secretaries, and also exclude them from the Government Register of Lobbyists;
- As Registered Charities must do, require all corporate and lobbying entities to refrain from engaging in party politics, campaigning for specific electoral outcomes, or making political donations;
- Like charities, if a corporation infringes the electoral standards its registration would be revoked;
- Pass really effective Whistleblower Protection laws that encourage and enable informed and honest citizens to disclose the hidden influences in our democracy, without unacceptable personal costs;
- Protect investigative journalists from reprisals and maintain the privacy of their privileged sources;
- Clearly differentiate in the law, corporate not-for-profit entities that influence public policy and electoral outcomes for private gain, from civil society non-profits;
- Expand and resource the Charities Commission to regulate all civil society not-for-profits, including those now on the Special Registers;
- Continue to permit all Australian Registered Charities to receive tax-deductible philanthropic donations, for use within the constraints that the Charities Act already sets;
- Continue to allow public interest charities to engage in public policy development and advocacy;
- Impose no legal or other restraints that would further limit or neutralise the effectiveness of public interest Australian charities and not-for-profit entities;
- Clearly delineate in the law the differences between corporate not-for-profit entities that exist to influence public policy and electoral outcomes for private gain, and civil society non-profits that have principal goals of protecting the environment, public health, social justice and the public interest generally.

## **Focus on big money, influence peddling, and hidden corporate and criminal donations**

Many not-for-profit entities are set up specifically as political lobbyists and influence peddlers. They include, for example, the: Institute of Public Affairs, CropLife, National Farmers Federation, Minerals Council of

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<sup>6</sup> Australian Government Register of Lobbyists, Department of the PM&C. [http://lobbyists.pmc.gov.au/who\\_register.cfm](http://lobbyists.pmc.gov.au/who_register.cfm)

Australia, Australian Food and Grocery Council<sup>7</sup>, Business Council of Australia, and many more. Despite much of their business being lobbying, few of these entities and peak bodies, or the corporations and other interests they represent, appear to be on the Australian Government Register of Lobbyists.

Yet they advocate crippling limits on the capacity of not-for-profit, public interest, civil society groups to raise resources and to operate effectively, as private interests may be affected when Parliaments legislate for the public good, rather than to enrich or empower private elites. And the tax-deductible expense claims of those interests that benefit from political lobbying and favoured access to decision-makers are also effectively taxpayer-funded.

Just one example of corporate influence at work is the inclusion of Investor State Dispute Settlement (ISDS) terms in trade agreements, which may disincline governments to legislate in the public interest. ISDS, or the investment court system (ICS), enables individual companies to sue governments in secret, closed, informal tribunals, generally composed of three arbitrators, for allegedly passing laws or taking actions that adversely affect the corporation's present or projected future profits.

For instance, the Tobacco giant Philip Morris brought a claim against Australia for legislating to require the plain-packaging of tobacco products, under ISDS provisions in an old Hong Kong trade deal. To run the case, the company set up an office in Hong Kong and, though it eventually lost, Australian tax-payers bore the substantial costs of defending the action.<sup>8</sup> Many other governments and their citizens have not succeeded or have settled for undisclosed sums. For example, in *Occidental v. Ecuador* the government owed the company about \$2.4 billion for allegedly foregone projected profits.<sup>9</sup>

An analysis in 2016<sup>10</sup> found declared donations and payments to Australian political parties were near \$1 billion, mainly from big business donors.<sup>11</sup> The AEC reported in its central, searchable database<sup>12</sup> that between 1998 and 2015 declared donations and payments included receipts for \$994,822,181 in donations and other payments called "other receipts" or "subscriptions".

The largest corporate donors over that 17-year period were:

Queensland Nickel Pty Ltd donated \$21,664,196 to Clive Palmer's own political party (PUP), and to the Liberal and National parties. Palmer's Mineralogy Pty Ltd, donated \$14,692,636 to PUP and to the Liberal and National parties, though the company reported several losses. Village Roadshow Limited donated \$5,022,263 to both the Labor and Liberal parties while lobbying for a crackdown on digital piracy. And Pratt Holdings, linked to Melbourne's Pratt family whose fortune derives from Visy Industries, a paper, packaging and recycling company, donated \$4,609,733.

The most generous industries over the period 1998-2015 were:

- The property industry — \$64,099,161
- Financial and insurance industries — \$37,078,539
- Pharmaceutical/health — \$12,625,078<sup>13</sup>

China connected businesses were easily the largest foreign-linked donors to the two major parties.<sup>14</sup>

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<sup>7</sup> The AFGC "has adopted the following strategies ... Representation and Advocacy: Present a united voice to Government, retailers and stakeholders. Advocate to decision makers the nature and needs of the industry." <https://www.afgc.org.au/wp-content/uploads/AFGC-Annual-Report-2016.pdf>

<sup>8</sup> Attorney General's Dept., Tobacco plain packaging—investor-state arbitration. <https://www.ag.gov.au/tobaccoplainpackaging>

<sup>9</sup> Martin Khor (2012). "The emerging crisis of investment treaties". South Centre. <https://www.globalpolicy.org/globalization/globalization-of-the-economy-2-1/trade-agreements-2-4/52113-the-emerging-crisis-of-investment-treaties.html>

<sup>10</sup> Corporate political activity of tobacco, alcohol and gambling companies in Australia Livingstone, C., Hancock, L., Harper, T., Kypri, K., Miller, P., Adams, P., Daube, M., Giorgi, C., McCambridge, J. & Wakefield, M. Australian Research Council (ARC) 1/11/13 → 30/10/16, [https://monash.edu/research/explore/en/projects/corporate-political-activity-of-tobacco-alcohol-and-gambling-companies-in-australia\(a7ae7662-7566-4dc1-86dc-07e5e013f367\).html](https://monash.edu/research/explore/en/projects/corporate-political-activity-of-tobacco-alcohol-and-gambling-companies-in-australia/a7ae7662-7566-4dc1-86dc-07e5e013f367).html)

<sup>11</sup> Political donations to reach \$1 billion thanks to big business donors, by political reporter [Ashlynn McGhee](#), 7 Dec 2016. [http://www.abc.net.au/news/2016-12-07/political-donations-top-\\$1b-thanks-to-big-business/8097030](http://www.abc.net.au/news/2016-12-07/political-donations-top-$1b-thanks-to-big-business/8097030)

<sup>12</sup> AEC returns. <http://periodicdisclosures.aec.gov.au/>

<sup>13</sup> Ibid.

## **Corporate not-for-profits lobby and advocate on policy**

Investigative journalist Michael West has published several articles on the influence that organised big business has over politics. He notes that like other not-for-profits, the Business Council of Australia (BCA) paid no tax on revenues of \$11.4 million last year and had untaxed income of \$28.6 million over the most recent three years. West also notes that half of the BCA's 130 corporate members paid no tax either. The BCA is a not-for-profit entity that also lobbies and advocates for the interests of its constituents. West reports that the BCA says its:

"objectives and strategy" are to "work on behalf of the chief executives of Australia's largest companies to influence the economic policies, institutions and governance arrangements. ... Members represent a range of sectors including mining, retail, manufacturing, infrastructure, information technology, financial services and banking, energy, professional services, transport and telecommunications."<sup>15</sup>

He notes other non-profits "the Minerals Council of Australia, which represents big mining companies, has recorded income of \$41.4 million and the peak body for the world's biggest oil companies, APPEA (the Australian Petroleum Production & Exploration Association) racked up revenues of \$58.6 million."<sup>16</sup>

In recent years these industry associations have worked to reshape Australian politics and remove from office those politicians supporting policies judged adverse to their members' commercial interests. Indeed, the mining industry was even successful in bringing down a Prime Minister whose proposed policy mining interests they judged to be commercially undesirable. As Michael West explains, when:

"Kevin Rudd was deposed as prime minister, the Minerals Council of Australia – whose TV campaign led to his demise – enjoyed revenues of \$35 million. That buys influence. Its advertising bill in the year to December 2010 was \$15.8 million, consultants' fees were almost \$6 million, and key executives were paid \$3.1 million for their advocacy. Rudd's mining tax was duly jettisoned.

"There is a plague of "influencers" in Western democracies and they are richly remunerated to pursue vested interests over community interests. The rise in "influencers" and the fall in public confidence in government has left us with virtual policy stasis and little scope for significant reform. Every time reform is mooted, it receives scare-campaign treatment by one interest group or another. The claims of plunging property prices in the event of negative-gearing reform spring to mind."<sup>17</sup>

All entities should be banned from running such partisan electoral advertising campaigns, since Registered Charities are already prohibited from such prejudicial behaviour.

## **Agribusiness politics and advocacy – not-for-profit but not in the public interest**

A clear distinction is needed in the law between corporate not-for-profit entities that influence public policy and electoral outcomes for private gain, and civil society non-profits that have principal goals of protecting the environment, public health, social justice and the public interest generally and which are rightly prevented by Australian charities law from engaging in party politics.

A web of connection and influence exists among seemingly independent organisations that are often managed by the same personnel, and are sponsors and financiers of each other, to promote a single

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<sup>14</sup> Chinese investment in Australia's power grid explained, by political editor Chris Uhlmann, 21 Aug 2016

<http://www.abc.net.au/news/2016-08-21/chinese-investment-in-the-australian-power-grid/7766086>

<sup>15</sup> BCA investigation: power of the business lobby in Australia, by Michael West, Sep 28, 2017.

<https://www.michaelwest.com.au/bca-investigation-power-of-the-business-lobby-in-australia/>

<sup>16</sup> BCA member companies. <http://www.bca.com.au/about-us/our-members>

<sup>17</sup> How business lobbyists trump your vote, by Michael West, July 2, 2016. <https://www.michaelwest.com.au/how-business-lobbyists-trump-your-vote/>

agribusiness agenda. Many of their policies are against the interests and aspirations of most Australian family farmers and shoppers.

One classic of co-ordinated industry lobbying and advocacy was the Single Vision Grains Australia report entitled “Delivering market choice with GM canola” published in 2008.<sup>18</sup> Its prime objective was to overturn the five-year moratoria on GM canola, imposed in all canola-growing states, after the Office of Gene Technology Regulator issued Monsanto and Bayer with unrestricted and unconditional commercial Roundup and Liberty tolerant GM canola licences in 2002.<sup>19 20</sup>

Grains industry endorsers of the 2008 Single Vision Statement were:

CEO, CropLife Australia; Managing Director, GRDC; General Manager – BioScience Bayer CropScience; Managing Director, Monsanto Australia Limited; Managing Director, Pioneer Hi-Bred Australia Pty Ltd; Managing Director, Nufarm Limited; Managing Director, Pacific Seeds Pty Ltd; Managing Director, Allied Mills; General Manager – Commercial Strategy and Business Development, Cargill; Chairman, Australian Oilseeds Federation (also the GM from Cargill); Chief Executive Officer, Australian Seed Federation; Managing Director, ABB Chief Executive Officer, CBH; Managing Director, Graincorp; Group GM Director, Riverland Oilseeds; President, Grains Council of Australia; Chairman, Grain Growers Association; Executive Director, Flour Millers’ Council of Australia; Chief Executive Officer, NACMA; President, NSW Farmers’ Association Chairman, PGA Western Graingrowers; Chair, Grains Council, South Australian Farmers’ Federation; President, Victorian Farmers’ Federation; President, Grains Section, WA Farmers; Agforce Grains President

Other industry endorsers were:

CEO, AusBiotech; CEO, Australian Food and Grocery Council; CEO, National Farmers’ Federation; Chairman of Agrifood Awareness Australia Limited (now called ABCA).

### **Croplife Australia**

Croplife Australia Limited is a public, unlisted, non-profit Australian company, limited by guarantee, which lobbies and seeks to influence government policy on its members’ behalf.<sup>21</sup> It is the peak body representing companies in the agricultural chemical and genetically manipulated (GM) seed industries. Sixteen of its corporate members control 85% of crop protection products and 7 member companies own 100% of the crop biotechnology products that Australian farmers use.<sup>22</sup>

In financial year 2014/15, Croplife made donations of \$25,545 to the National Party of Australia and \$15,000 to the ALP.<sup>23</sup> And in 2015/16, it donated \$22,300 to the ALP and \$42,500 to the Nationals.<sup>24</sup> Yet CropLife and its key personnel do not appear to be on the Australian Government Register of Lobbyists.

At CropLife’s urging, shortly after his appointment as the National Party Agriculture Minister in the Coalition Government, Barnaby Joyce, introduced the Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2014<sup>25</sup> into parliament and it passed into law with ALP support. The Bill rescinded a new review scheme due to begin on July 1, 2014, for the systematic Re-

<sup>18</sup> Delivering market choice with GM canola, an industry report prepared under the Single Vision Grains Australia process.

[http://australianoilseeds.com/\\_data/assets/pdf\\_file/0019/2935/Delivering\\_Market\\_Choice\\_with\\_GM\\_canola\\_-\\_FINAL\\_-\\_1MB.pdf](http://australianoilseeds.com/_data/assets/pdf_file/0019/2935/Delivering_Market_Choice_with_GM_canola_-_FINAL_-_1MB.pdf)

<sup>19</sup> OGTR DIR 020/2002 General release of Roundup Ready® canola (Brassica napus) in Australia

<http://www.ogtr.gov.au/internet/ogtr/publishing.nsf/Content/DIR020-2002>

<sup>20</sup> OGTR DIR 021/2002 Commercial release of canola genetically modified for herbicide tolerance and hybrid breeding system for use in the Australian cropping system. <http://www.ogtr.gov.au/internet/ogtr/publishing.nsf/Content/DIR021-2002>

<sup>21</sup> CropLife Australia Limited. <http://www.abn-lookup.com/firm/croplife-australia-limited-008579048/>

<sup>22</sup> CropLife members. <https://www.croplife.org.au/members/>

<sup>23</sup> Donor to Political Party Disclosure. <http://periodicdisclosures.aec.gov.au>Returns/56/UDIE4.pdf>

<sup>24</sup> Donor to Political Party Disclosure. <http://periodicdisclosures.aec.gov.au>Returns/60/WDVJ2.pdf>

<sup>25</sup> Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2014 [http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bld=r5196](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r5196)



approval and Re-registration of all agricultural and veterinary chemicals. A former Labor government had steered the scheme through the parliament and budgeted for it.

Under the scheme, the Australian Pesticides and Veterinary Medicines Authority (APVMA) was set to review the safety of agricultural chemicals. Only those safe and fit for purpose were to be re-registered for continued use. New safety research data would have been required, especially on the thousands of old farm and animal chemicals approved decades ago, before modern chemical tests were available. Many of them would likely not have passed the safety review process and would have been withdrawn from use, to protect the safety of farmers, spray operators and the public.

Directing the pushback against the scheme were Croplife's Board President from Syngenta Australia Pty Ltd, its Vice President for Crop Protection from Sipcam Pacific Australia, its Vice President for Crop Biotechnology from Monsanto Australia Limited, the Chair of its Corporate Governance Committee from Bayer CropScience Pty Ltd, and Board Members who represent Adama Australia, BASF Australia, Dow AgroSciences Australia Ltd, FMC Australasia Pty Ltd, and Nufarm Australia Limited.<sup>26</sup>

In the news media, in public forums and government inquiries, Croplife advocates an end to the powers of State and Territory Governments to declare GM and GM-free Zones for marketing reasons. These powers derive from a policy principle made under Section 21 of the Gene Technology Act 2001 (Cwth), then enacted as the Gene Technology (Recognition of Designated Areas) Principle 2003.<sup>27</sup>

CropLife's CEO advocated at Productivity Commission hearings into Agriculture Regulation that:

"... state and territory governments should remove their (GM crop) moratorium."<sup>28</sup>

He also sought to end GM and chemical labels, claiming:

"... it's not just in the GM area where government has failed to adhere to these principles (that approved products not be labelled). Safe Work Australia is acting in deference to this best practice advice and applying unnecessary costly and potentially confusing labelling requirements on already regulated agricultural chemicals".<sup>29</sup>

Then he claims to discredit his industry's critics with the baseless assertion that:

"There are some very well organised, well funded and global corporations that are in the business of running false campaigns around that, whether it is their genuine belief or not."<sup>30</sup>

This aptly describes CropLife Australia itself. The lobby group is a member of CropLife International's global network of companies and lobby groups, promoting Genetic Manipulation techniques and their living products, and agrichemicals. They include: Monsanto; Bayer; Dow; Syngenta; Dupont; BASF; Sumitomo; FMC; plus fifteen national and regional CropLife and related organisations covering every continent and region in the world.<sup>31</sup>

Professor Jill Gready gave the hearing another perspective on CropLife's claims and a more optimistic view of the public's capacity to influence government policies:

"And a bit about the politics was mentioned by Mr Cossey of CropLife. ... public support is necessary in the political system we have, because any changes to regulation will need public support to get through parliament, and at the moment, parliamentarians are hearing a lot from the anti-GM lobby,

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<sup>26</sup> CropLife Australia Board members: <https://www.croplife.org.au/about-us/board/>

<sup>27</sup> Gene Technology (Recognition of Designated Areas) Principle 2003 <https://www.legislation.gov.au/Details/F2007B00679>

<sup>28</sup> Productivity Commission, Agriculture Regulation hearings transcript, Canberra, 22/08/16 P.413

<sup>29</sup> Productivity Commission, Agriculture Regulation hearings transcript, Canberra, 22/08/16 P.414

<sup>30</sup> Productivity Commission, Agriculture Regulation hearings transcript, Canberra, 22/08/16 P.416

<sup>31</sup> Croplife International, Members. <https://croplife.org/about/members/>

and clearly they hear a lot from the pro-GM lobby, but as you, everybody would be aware, the parliamentary process has drivers, and the major driver there is public support.”<sup>32</sup>

CropLife Australia’s sponsors include Agsafe (also CropLife and Corporate aligned)<sup>33</sup>, CropLife Asia, CropLife International and the Agricultural Biotechnology Council of Australia (ABCA).<sup>34</sup>

### **Agricultural Biotechnology Council of Australia (ABCA)**

ABCA is also both a not-for-profit and a corporate advocacy group. ABCA’s founding members were: CropLife Australia, the Grains Research and Development Corporation, the National Farmers Federation, and AusBiotech. It is a Company Limited by Guarantee, with CropLife, AusBiotech and NFF as its present financial backers. Its role is to act as the:

“national coordinating organisation for the Australian agricultural biotechnology sector,” which aims to: “ensure that the Australian farming sector can appropriately access and adopt biotechnology.”<sup>35</sup>

ABCA is an advocacy body with:

“an extensive collection of information materials to enhance informed decision-making.”<sup>36</sup>

### **AusBiotech**

AusBiotech is also both a “not-for-profit limited guarantee company managed by a Board elected by members under a constitution.”<sup>37</sup> and an advocacy group. AusBiotech transitioned from the Australian Biotechnology Association (ABA), a science club, about 25 years ago. A Commonwealth Government grant of \$450,000 enabled AusBiotech to be created as:

“The leading Australian industry body representing and advocating for organisations doing business in and with the global life sciences economy.”<sup>38</sup>

The entity specifically advocates for:

“policy reform in tax, clinical trials, intellectual property, regulation and more to sustain Australia’s global competitive advantage in the life sciences” and offers “representation and support for members nationally and around the world.”<sup>39</sup>

Monsanto and Bayer are represented on AusBiotech’s AusAg & Foodtech Committee which:

“advocates on behalf of industry by providing commentary on policy, fosters relationships between investors, researchers and industry leaders and facilitates investment opportunities.”<sup>40</sup>

The “Policy and Advocacy” section of AusBiotech’s website includes:

“an industry position survey, policy positions, submissions, reports and consultations.”<sup>41</sup>

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<sup>32</sup> Productivity Commission, Agriculture Regulation hearings transcript, Canberra, 22/08/16 P.451

<sup>33</sup> Agsafe Board Members: <https://www.agsafe.org.au/about-us/board-members>

<sup>34</sup> CropLife Sponsors. <https://www.croplife.org.au/about-us/board/>

<sup>35</sup> <http://www.abca.com.au/>

<sup>36</sup> <https://www.abca.com.au/about/>

<sup>37</sup> <https://www.AusBiotech.org/about-us/about-us>

<sup>38</sup> Ausbiotech home. <https://www.AusBiotech.org/>

<sup>39</sup> Ibid.

<sup>40</sup> AusBiotech’s AusAg & Foodtech Committee <https://www.AusBiotech.org/about-us/ausag-foodtech-2>

<sup>41</sup> Ausbiotech Policy and Advocacy <https://www.AusBiotech.org/policy-advocacy/policy-advocacy>

## Businesses influence GM policy

After Peter Beattie's retirement as Premier of Queensland in 2008, the Sunday Mail naively editorialised, in admiration that:

"He will not be jumping on the government gravy train and he won't be cashing in his experience to the highest bidder. Mr Beattie has so much to offer but has decided the moral and ethical price is too high."<sup>42</sup>

Despite this posturing, soon afterwards the new Premier Anna Bligh appointed Beattie as Queensland's Trade Commissioner to the USA for three years, with a taxpayer-funded remuneration package of \$300,000 pa, on top of his parliamentary superannuation of \$160,000 pa. Beattie's particular focus was on promoting GM techniques and their products, which he had also done very unsuccessfully during his Premiership.<sup>43</sup>

Beattie attended the Biotech Industry Organisation's (BIO 2011) conference in Washington DC USA<sup>44</sup> to promote the biotech industry, when Australian Ambassador Kim Beazley could not attend. NSW Minister Andrew Stoner spent \$30,000 on a one-week trip to the same conference. Other Australian politicians there included Federal Innovation, Industry, Science and Research Minister Kim Carr and Queensland's Premier Anna Bligh.<sup>45</sup>

On May 19 2009, at BIO's 2009 International Convention and trade show in Atlanta, Georgia, USA, Victorian Innovation Minister Gavin Jennings signed a \$50 million public private partnership (PPP) with Dow AgroSciences for a Global Alliance for Crop Innovation. Professor German Spangenberg, of the Victorian Department of Primary Industries also attended.<sup>46</sup> Queensland Minister for Natural Resources, Mines and Energy, and Minister for Trade, Stephen Robertson, was also there with a trade mission to the USA.<sup>47</sup>

BIO USA itself, is: "the world's largest biotechnology trade association, our members are leading the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology products." Among present Australian Members of BIO USA are: AusBiotech, Ltd; Dow Chemical (Australia) Limited; Government of Victoria - Melbourne; Office of The Premier of Victoria; and 25 other universities, companies and research institutes.<sup>48</sup>

The nexus of power and influence among all the agribusiness, agrochemical and GM promoters and owners is plain from our analysis. Limiting or dismantling their complex of associations, influence-peddling and favoured access to policy makers is possible, but only through strategic reforms to the law. Those working for the public interest are your allies in this enterprise.

## Australia's community public interest, not-for-profits and charities are invaluable

The Joint Standing Committee on Electoral Matters inquiry into the 2016 election repeatedly focused on the activities and conduct of charities, particularly one of the four Special Registers of public interest not-for-profit organisations. We wish to emphasise that well-regulated, registered, not-for-profit charities with public

<sup>42</sup> Shonks making hay in sunshine state of shame, SMH, Alan Ramsey, March 22, 2008.

<http://www.smh.com.au/news/opinion/shonks-making-hay-in-sunshine-state-of-shame/2008/03/21/1205602656322.html>

<sup>43</sup> State's flagship biotech fund banks on life sciences, by Liam Walsh, August 17, 2009.

<http://www.news.com.au/news/states-flagship-biotech-fund-banks-on-life-sciences/news-story/9d529540662195c750b53b1f77f7daac>

<sup>44</sup> 2011 Biotechnology Industry Organization (BIO) International Convention.

[http://www.biospace.com/news\\_story.aspx?StoryID=227293&full=1](http://www.biospace.com/news_story.aspx?StoryID=227293&full=1)

<sup>45</sup> Expensive adventure - Andrew Stoner's \$30,000 US jaunt, Kate Sikora and Bruce McDougall, Daily Telegraph, September 3,

2011 <http://www.dailytelegraph.com.au/news/nsw/expensive-adventure-andrew-stoners-30000-us-jaunt/news-story/66ff7735b8bc8c2eb9c13b5360ea1e48>

<sup>46</sup> Victoria (Australia) and Dow AgroSciences Announce Global Alliance for Crop Innovation, 2009 BIO International Convention, May 18, 2009.

<http://www.businesswire.com/news/home/20090518006259/en/Victoria-Australia-Dow-AgroSciences-Announce-Global-Alliance>

<sup>47</sup> Robertson, Trade Mission Report. <http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2009/5309T466.pdf>

<sup>48</sup> BIO Member Directory. <https://www.bio.org/bio-member-directory>



interest goals have community confidence are not the problem with the present electoral and political system, especially in the damage that political donations wreak on our democracy.

Community non-profits are among Australia's most effective and pro-active bulwarks against the pernicious influences of other less scrupulous actors on the political scene that are only sketched out here. Civil society groups campaign and advocate for the goals and priorities of Australian society that help ensure our polity is socially just, peaceful, egalitarian and ecologically sustainable for future generations. Our activities help to enhance and strengthen democratic institutions and their standing in the community.

Community-based not-for-profits with DGR status, their modestly remunerated workers, and their millions of volunteer donors, members and supporters are the Parliament's allies in securing a fairer political system with increased integrity. The rules of engagement already require these not-for-profit entities to work exclusively in the public interest and for the common good. They only exist while their citizen members and donors continue to give support, to defend democratic values, and promote the public interest.

All Registered Charitable community groups are required:

- to appropriately pursue activities that serve their charitable purposes;
- not to have political purposes which disqualify them from registration; and
- to abstain from party politics.

So public interest groups should be nurtured and enabled to operate effectively through robust, but not draconian, regulation of their activities and funding. The large, diverse, and well-regulated Australian not-for-profit sector comprising some 600,000 organisations made grants of US\$1.048 billion in 2012.<sup>49</sup> All should be registered and regulated under Charities Law (including those now on the Special Registers).

Changes to not-for-profit rules that compromise this work for the public interest, would leave corporate and criminal interests at greater liberty to project their political influence, largely unhindered. Without effective public interest proponents to call out the big end of town and the crooks, our democratic checks and balances would be much weaker.

As the Joint Standing Committee on Electoral Matters correctly says in its discussion paper on the 2016 election, the system of Charities Law and regulation: "may in principle be:

- simple and streamlined;
- transparent and timely;
- clear and understandable; and
- level playing field."<sup>50</sup>

But many not-for-profit corporate-motivated entities, operating in the same space as public interest community groups, are not transparent and the playing field on which we all conduct our activities is anything but level. At the behest of corporates, some politicians are strenuously advocating that the public interest sector is stripped of its capacity to raise tax-deductible funds from its constituents and to operate effectively, while leaving corporate-backed entities untouched.

Stifling the activities and advocacy of public interest charities would undermine the health of Australia's democracy, especially if the corporate and criminal sectors are still able to transfer international funds and to claim tax deductibility for advocacy activities. This would accelerate the public disillusion and distrust in Australian politics that our parliament and the Senate seek to redress, while failing to curb the source of the greatest influence on Australian politics – big money, and the entities that trade favours to gain more wealth and power for their own private ends at our community's expense.

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<sup>49</sup> OECD. Grants by private agencies and NGOs. <https://data.oecd.org/drif/grants-by-private-agencies-and-ngos.htm>

<sup>50</sup> JSCEM, Inquiry into and report on all aspects of the conduct of the 2016 Federal Election and matters related thereto. [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Electoral\\_Matters/2016Election](http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Electoral_Matters/2016Election)

## Conclusions

The public interest must be enabled to influence government priorities and policy decisions. The powers of the corporate and criminal sectors must be better regulated and their capacity to deploy resources and influence to serve their own interests must be better constrained.

In policy-making processes, we expect our politicians to be bound to fully consider and give due weight to public opinion and representations from the citizens who elect them. Public interest advocates have a key role to play in facilitating these exchanges. Without effective community-based advocacy and policy development, vested corporate and criminal interests would both have unhampered access to and influence over all aspects of Australian politics.

We do not want to emulate less democratic societies where bribery and corruption flourish as a result of weak institutions and disorganized civil society. Our submission shows that vested interests are influential in Australia because they are well-resourced, well-connected and collaborate in achieving their common objectives, locally, nationally and globally.

Existing institutional and regulatory arrangements also favour them. This often leads to mediocre and corrupted policy outcomes that are not in the public interest. Therefore, it is crucial that the Senate Committee refrains from recommending measures that would maintain the status quo or further advantage commercial and criminal actors to exercise their influence over Australian politics. Placing increased constraints on public interest charities would have this effect.

We request the Senate Select Committee to favourably consider our submission, adopt our recommendations, and work with the whole of government and the community to implement them.

We welcome further opportunities to participate in the committee's work and request to be heard in support of this submission.

Bob Phelps

Executive Director

October 9, 2017

### Supporters of this submission:

MADGE Inc.<sup>51</sup>

GMFAA Inc.<sup>52</sup>

**Appendix 1:** Transparency International Australia, Corruption Risks: Mining approvals in Australia. Mining for Sustainable Development Programme, October 2017, attached.<sup>53</sup>

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<sup>51</sup> Mothers are Demystifying Genetic Engineering. <http://www.madge.org.au/>

<sup>52</sup> The GM-Free Australia Alliance. <http://www.gmfreeaustralia.org.au/news/newgm-freesshoppinglistoutnow>

<sup>53</sup> Transparency International Australia, Corruption Risks: Mining approvals in Australia. Mining for Sustainable Development Programme, October 2017 [http://transparency.org.au/tia/wp-content/uploads/2017/09/M4SD-Australia-Report\\_Final\\_Web.pdf](http://transparency.org.au/tia/wp-content/uploads/2017/09/M4SD-Australia-Report_Final_Web.pdf)