Revolving doors, golden escalators and the demise of climate and energy policy

Here are two questions that go to the state of Australia's policy making and the health of its democracy – and are particularly relevant as we watch, in horror, the course that climate and energy policy is taking in this country.

Australia's policy making is dominated – as we suspected – by the visible, but mostly invisible hand of vested interests and lobbyists. The extent of this is revealed by a new report from the Grattan Institute "Who's in the room? Access and Influence in Australian politics."

The report reveals that access and influence are heavily skewed towards the businesses and unions that have the most to gain (and lose) from public policy, and how vulnerable it is to regulatory capture.

And here is where we get the two Orwellian responses to two crucial questions highlighted by Kate Griffiths, one of the co-authors of the report.

Q1: What is the penalty if you are caught lobbying on behalf of a company and/or industry, without being registered as a lobbyist.

Answer: De-registration. The penalty for acting as a lobbyist with registration is to lose the registration that you didn't have.

Q2: What is the penalty if you are a former government minister who has left parliament and you are discovered lobbying in the area of your former portfolio?

Answer: The penalty for a former minister acting as a lobbyist in his former portfolio is the loss of ministerial duties you no longer have.

Absurd? As Griffiths notes: "It is as ridiculous as it sounds."

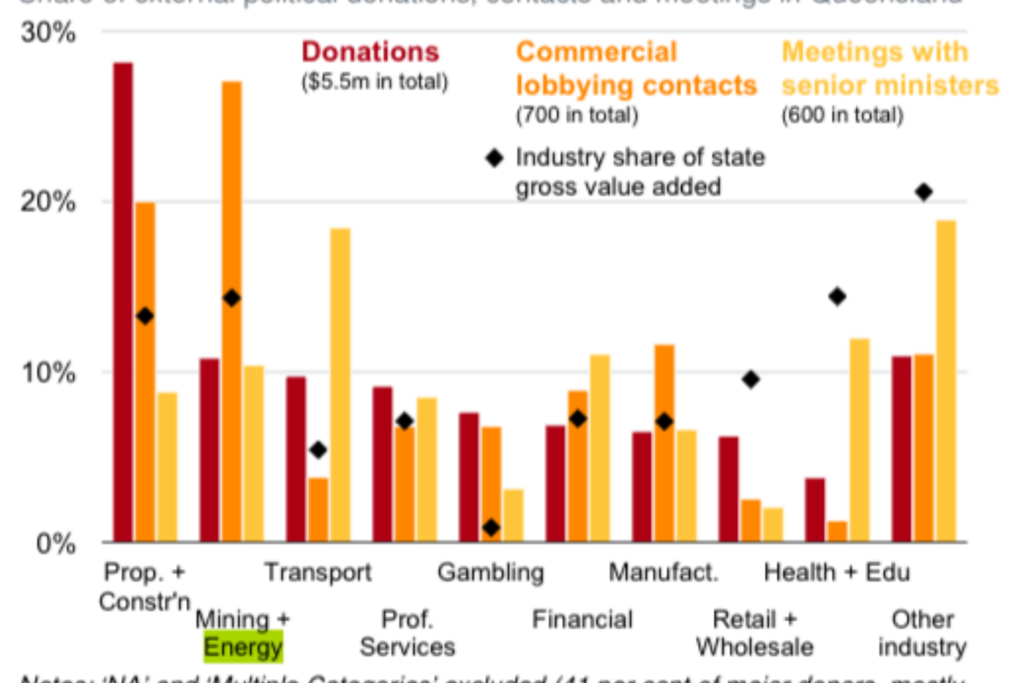
And it may explain how it is that Australian politics, and policies, are so corrupted.

Readers of RenewEconomy will be familiar with the "revolving door" on advisers to climate and energy policy and the close links between the Coalition government and the Minerals Council of Australia and similar state-based bodies, and former energy ministers and the "peak" bodies for the fossil fuel industry.

Think Martin Ferguson, the Labor resources minister (including energy) who joined the oil and gas peak body APPEA within six months of retirement, or Ian Macfarlane, the former Coalition industry minister (including energy) who joined the Queensland Resources Council within 12 months.

Then there is Gary Gray, the former Labor national secretary who squeezed in a stint with Woodside Petroleum between that job and his stint as resources minister, where he described himself, Macfarlane and Ferguson as "three peas in a pod." Even Labor climate minister Greg Combet has acted as a consultant to both AGL and Santos since retiring.

Figure 2.4: Different industries prioritise different channels of influence
Share of external political donations, contacts and meetings in Queensland



Notes: 'NA' and 'Multiple Categories' excluded (41 per cent of major donors, mostly individuals). All donations as at April 2018. Lobbying contacts includes only clients with at least five contacts. The gambling industry's share of gross value added is shown as all of 'Arts and Recreation', although gambling represents only a subset.
Sources: ECQ (2018), QIC (2018), Queensland Government (2018) and ABS (2017).

Hang on? Aren't politicians not supposed to join a lobby group? Handily, peak bodies are not described as lobby groups per se – although it is hard to imagine what else it is that they think they might be doing.

It doesn't stop with ministers and what Grattan calls "golden escalators", it is also with the "revolving door" of ministerial advisors.

As RenewEconomy has noted on numerous occasions, Greg Hunt's former advisor is now with the Minerals Council, the Minerals Council's former chief policy advisor was a senior adviser with former prime minister Malcolm Turnbull, and the Minerals Council's former deputy CEO is now chief of staff for prime minister Scott Morrison.

The Minerals Council of course, is the organisation that provided the lump of coal that Morrison waved around parliament last February, before bagging the big battery as about as useful as the Big Banana. Since become PM, Morrison hasn't stopped talking about "fair dinkum" power. i.e. coal.

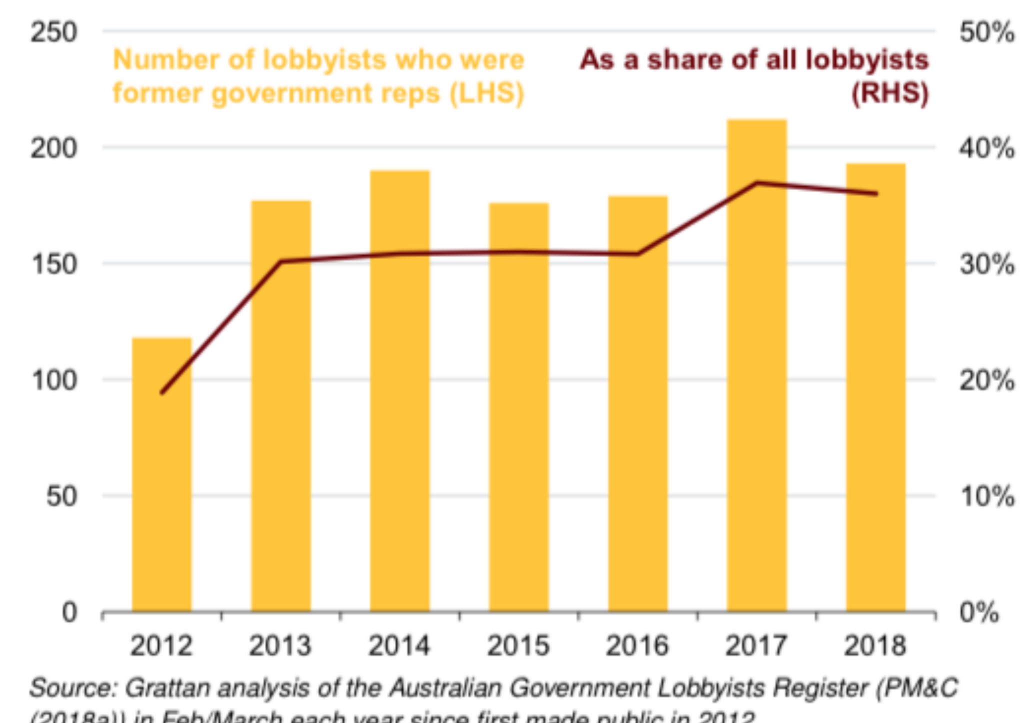
The new head of the Energy Supply Council, the energy peak body, is Sarah McNamara, who has been everywhere: With AGL as their principal government lobbyist, with Tony Abbott as advisor on energy and climate when he was prime minister, and then with Macfarlane as chief of staff with the Industry ministry.

And the links are even more extensive. This article by Adam Lucas and Joel Holland itemised the numerous links between the offices of Ferguson and Macfarlane and others, and key industry groups such as the Minerals Council, APPEA, the NSW Minerals Council and others.

Did you know that Ferguson's secretary John Pierce is now chairman of the Australian Energy Market Commission, that his senior policy advisor Michael Bradley became director of external affairs for APPEA, or that another policy advisor, James Sorahan, became director of taxation for the Minerals Council?

Did you know that Macfarlane's chief of staff between 2001 and 2004, Stephen Galilee, is CEO of the NSW Minerals Council; that another former chief of staff, Malcolm Roberts, became CEO of APPEA; that former policy advisor Linday Hermes had previously been media manager for the NSW Minerals Council?

Figure 2.5: The 'revolving door' phenomenon is growing



Source: Grattan analysis of the Australian Government Lobbyists Register (PM&C (2018a)) in Feb/March each year since first made public in 2012.

What do APPEA, the Minerals Council, and the Queensland Resources Council and the NSW Minerals Council have in common? Between them, according to the Grattan Institute report, they contributed more than $300 million to the campaign against the carbon price that Labor implemented and Abbott's Coalition tore down.

According to The Grattan Institute, these major lobby groups spent more than $300 million on advocacy between 2010 and 2014, including on an anti-carbon-tax advertising campaign.

"Since then, the policy paralysis appears to have been the result of political and ideological divides rather than special-interest activism," the report notes.

"The result is that in 2018 Australia still lacks a credible mechanism to achieve its Paris Agreement commitments."

Climate and energy policies are just one sector where vested interests have been able to exert undue influence. Think gambling, racing and pharmaceutical industries. Most are in highly regulated industries where vested interests have much to lose.

Griffiths says one of the key problems is that there is no visibility on who the ministers are meeting with.

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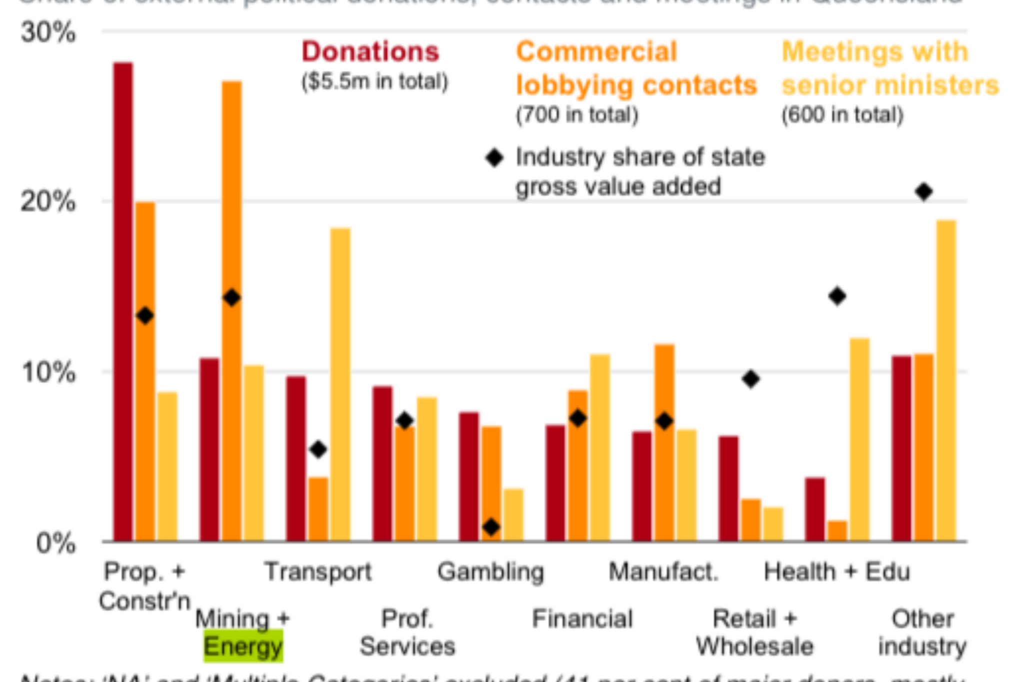

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"We don't know when they are meeting, who was in the room at the time," she says. Where data is available, for the Queensland and NSW governments, it shows that there is a dominance by big industry.

So much so, that who is in the room is as concerning as who is not in the room – and that tends to be the groups that represent consumers. "You do wonder if they are getting a well-rounded view," Griffiths notes.

The report notes the movement of advisors creates a certain 'cosiness' and increases the likelihood that the well-resourced are heard more often and more sympathetically in policy discussions.

"This poses a risk to good decision-making: policy makers should be listening to interest groups with the best ideas, not simply those with the right connections."