

NOTICE OF MEETING

Notice is hereby given that an ordinary meeting of Council will be held in the

**Council Chamber – Glenelg Town Hall
Moseley Square, Glenelg**

Tuesday 12 September 2023 at 7.00pm

**Roberto Bria
CHIEF EXECUTIVE OFFICER**

Ordinary Council Meeting Agenda

1. OPENING

The Mayor will declare the meeting open at 7:00pm.

2. KAURNA ACKNOWLEDGEMENT

We acknowledge Kaurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kaurna People today.

3. SERVICE TO COUNTRY ACKNOWLEDGEMENT

The City of Holdfast Bay would like to acknowledge all personnel who have served in the Australian forces and services, including volunteers, for our country.

4. PRAYER

Heavenly Father, we pray for your presence and guidance at our Council Meeting. Grant us your wisdom and protect our integrity as we carry out the powers and responsibilities entrusted to us on behalf of the community that we serve.

5. APOLOGIES

5.1 Apologies Received

5.2 Absent

6. ITEMS PRESENTED TO COUNCIL

7. DECLARATION OF INTEREST

If a Council Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Council they are asked to disclose the interest to the Council and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.

8. CONFIRMATION OF MINUTES

That the minutes of the Ordinary Meeting of Council held on 22 August 2023 be taken as read and confirmed.

9. PUBLIC PRESENTATIONS

9.1 Petitions - Nil

9.2 Presentations - Nil

9.3 Deputations - Nil

10. QUESTIONS BY MEMBERS

10.1 Without Notice - Nil

10.2 On Notice - Nil

11. MEMBER'S ACTIVITY REPORTS - Nil**12. MOTIONS ON NOTICE**

12.1 Informal Sport Infrastructure – Councillor Lindop (Report No: 296/23)

12.2 Leave of Absence – Councillor Miller (Report No: 299/23)

13. ADJOURNED MATTERS - Nil**14. REPORTS OF MANAGEMENT COMMITTEES AND SUBSIDIARIES**

14.1 Minutes – Alwyndor Management Committee – 27 July 2023
(Report No: 282/23)

14.2 Information Report – Southern Region Waste Resource Authority Board
Meeting – 21 August 2023 (Report No: 288/23)

15. REPORTS BY OFFICERS

15.1 Items in Brief (Report No: 294/23)

15.2 2022/23 Annual Review of Investments (Report No: 287/23)

15.3 King George Avenue – Koala Crossing (Report No: 291/23)

15.4 Stormwater Harvesting Scheme – Frederick Street Catchment
(Report No: 293/23)

15.5 Public Lighting Policy (Report No: 292/23)

15.6 Independent Commission Against Corruption Discussion Paper: Lobbying
and Influence (Report No: 298/23)

15.7 Code of Practice – Access to Meetings and Documents
(Report No: 283/23)

15.8 Local Government CEO Salary Remuneration Tribunal Determination
(Report No: 304/23)

16. RESOLUTIONS SUBJECT TO FORMAL MOTIONS

Presented for the information of Members is a listing of resolutions subject to formal resolutions, for Council and all Standing Committees, to adjourn or lay on the table items of Council business, for the current term of Council.

17. URGENT BUSINESS – Subject to the Leave of the Meeting**18. ITEMS IN CONFIDENCE**

18.1 Beach Activation Licence Extension (Report No: 297/23)

Pursuant to Section 83(5) of the *Local Government Act 1999* the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of

the Act, specifically on the basis that Council will receive, discuss or consider:

- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

18.2 Seacliff Plaza Amenities Building and Beach Access (Report No: 304/23)

Pursuant to Section 83(5) of the *Local Government Act 1999* the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

19. CLOSURE



ROBERTO BRIA
CHIEF EXECUTIVE OFFICER

Item No: **12.1**

Subject: **MOTION ON NOTICE – INFORMAL SPORT INFRASTRUCTURE –
COUNCILLOR LINDOP**

Date: 12 September 2023

PROPOSED MOTION

Councillor Lindop proposed the following motion:

That Administration undertake a review of the provision of informal sport and recreation infrastructure and spaces and provide a report to Council summarising current projects underway and what future opportunities can be explored for unorganised or informal sport infrastructure. The report is to include recommendations of future budget allocations needed to enable unorganised sport and recreation infrastructure to be incorporated into open space and reserve upgrades.

BACKGROUND

The social and health benefits of participating in informal and unstructured sport and recreation are well documented. Publicly accessible informal sport and recreation infrastructure provides opportunities and encourages people to continue to keep active and enjoy outdoor activities with opportunities to socialise in an active way.

Informal or unstructured sport and recreation infrastructure can include a range of items including outdoor fitness equipment, a basketball ring, recreation lighting in a reserve or a multi-sport community court, pump track or skate ramp.

Studies show that teenagers often opt out of organised club sport and stop playing school sport for a range of reasons which can lead to an inactive sedentary lifestyle, contribute to social isolation and a range of health issues later in life.

Statistics from AusPlay, a national population tracking survey, show there is a reduction of children playing sport outside of school, and that there is a 30 per cent drop-out rate from children in organised sport aged between 9 and 19.

In the context of the City of Holdfast Bay, the need for community spaces where people can enjoy unorganised sport and social recreation aligns with the “Open Space and Public Realm Strategy 2018-2030” which guides development and management of parks, reserves, recreation facilities and other public spaces.

When Council Administration undertakes planning and community consultation for the upgrade of reserves and playspaces, opportunities to incorporate unorganized / unstructured sport and

recreation into the designs are explored. The range of opportunities often are determined by available space in the reserve or open space and the total project budget.

In regard to planning for future opportunities for unorganized / unstructured sport / informal recreation infrastructure, it will be increasingly important for the City of Holdfast Bay to continue to do this based on our aging demographic profile and the continuing trend of younger participants opting out of structured sport.

This motion is seeking to emphasise the importance of informal sport and recreation opportunities and infrastructure in the City of Holdfast Bay, review our current level of investment into informal sport and recreation infrastructure and the important role Council has in the future provision of the infrastructure.

Item No: **12.2**

Subject: **MOTION ON NOTICE – LEAVE OF ABSENCE – COUNCILLOR MILLER**

Date: 12 September 2023

PROPOSED MOTION

Councillor Miller proposed the following motion:

That Councillor Miller be granted a leave of absence for the Council meeting of 10 October 2023.

Item No: 14.1

Subject: **MINUTES - ALWYNDOR MANAGEMENT COMMITTEE – 27 JULY 2023**

Date: 12 September 2023

Written By: General Manager, Alwyndor

General Manager: Ms B Davidson-Park

SUMMARY

The minutes of the Alwyndor Management Committee meeting held 27 July 2023 are provided for information.

RECOMMENDATION

1. **That the minutes of the Alwyndor Management Committee meeting held on 27 July 2023 be noted.**

RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Attachment 2 to Report No: 282/23 Minutes – Alwyndor Management Committee –27 July 2023 in confidence under section 90(2) and (3) (b) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of the Act orders that Attachment 2 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.**
-

STRATEGIC PLAN

Enabling the people in our communities to live healthy, engaged and fulfilling lives.

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

BACKGROUND

This report is presented following the Alwyndor Management Committee Meetings.

The Alwyndor Management Committee was established to manage the affairs of Alwyndor. The Council has endorsed the Committee's Terms of Reference and given the Committee delegated authority to manage the business of Alwyndor.

REPORT

The minutes of the meeting are attached for Members' information.

BUDGET

Not applicable

LIFE CYCLE COSTS

Not applicable

Attachment 1

CITY OF HOLDFAST BAY

Minutes of the meeting of the Alwyndor Management Committee of the City of Holdfast Bay held at Alwyndor 52 Dunrobin Rd Hove on Thursday 27 July 2023 at 6.30pm.

PRESENT**Elected Members**

Councillor Susan Lonie
Councillor Robert Snewin

Independent Members

Mr Kim Cheater- Chair
Prof Judy Searle
Prof Lorraine Sheppard

Staff

Chief Executive Officer – Mr Roberto Bria
General Manager Alwyndor – Ms Beth Davidson-Park
Manager, Community Connections – Ms Molly Salt
Manager, Residential Services – Ms Natasha Stone
Chief Financial Officer – Mr Rafa Mirzaev
Manager, People and Culture - Ms Lisa Hall
Executive Assistant – Ms Bronwyn Taylor

1. OPENING

The Chairperson declared the meeting opened at 6.42pm.

2. KAURNA ACKNOWLEDGEMENT

With the opening of the meeting the Chair stated:

We acknowledge the Kaurna people as the traditional owners and custodians of this land. We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kaurna People today.

3. APOLOGIES

- 3.1 For Absence
 - Ms Jo Cottle
 - Ms Trudy Sutton
 - Ms Julie Bonnici

- 3.2 Leave of Absence
Nil

4. DECLARATION OF INTEREST

Committee members were reminded to declare any interest before each item.
Prof Judy Searle advised she is now Chair of the Northern Adelaide Local Health Network.

5. CONFIRMATION OF MINUTES

Motion

That the Public and Confidential minutes of the Alwyndor Management Committee held on 29 June 2023 be taken as read and confirmed.

Moved by Cr Susan Lonie, Seconded by Prof Lorraine Sheppard

Carried

6. REVIEW OF ACTION ITEMS

- 6.1 Action Items**
Noted

- 6.2 Annual Work Plan**
Noted

7. GENERAL MANAGER REPORT

7.1 General Manager Report (Report No: 16/23)

7.1.1 Council approval of Chair

The Council resolution of 25 July 2023 was noted - that the appointment of Kim Cheater as Chair of AMC was endorsed.

7.1.2 Culture Survey

The General Manager updated on the positive outcomes of the recent survey and will present these at the September AMC meeting.

7.1.3 Aged Care Reform Update

General Manager advised that Governance Reform is the next major focus (ie the establishment and implementation of the Quality Care and Consumer Advisory Groups). AMC supported the proposed approach, including the appointment of an independent chair for each group and updates will be provided at each milestone.

Motion:

That the Alwyndor Management Committee:

- 1. Notes the approval of Council for Mr Kim Cheater to be appointed as Chair AMC until 31 July 2026.**
- 2. Notes the Culture Survey – June 2023 Pulse survey.**
- 3. Notes the update on Aged Care Reform – Governance, including the establishment of a Quality Care Advisory Body and a Consumer Advisory Body.**

Moved by Prof Lorraine Sheppard, Seconded by Prof Judy Searle

Carried

8. GENERAL MANAGER REPORT – CONFIDENTIAL

8.1 General Manager Report – Confidential (Report No: 17/23)

Exclusion of the Public – Section 90(3)(d) Order

- 1. That pursuant to Section 90(2) of the *Local Government Act 1999* Alwyndor Management Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the General Manager and Staff in attendance at the meeting in order to consider Reports and Attachments to Report No: 17/23 in confidence.**
- 2. That in accordance with Section 90(3) of the *Local Government Act 1999* Alwyndor Management Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 17/23 on the following grounds:**
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a third party of Alwyndor, in addition Alwyndor's financial position is reported as part of Council's regular budget updates.**

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Alwyndor Management Committee is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved by Cr Susan Lonie, Seconded by Cr Bob Snewin

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

4. That having considered Agenda Item 8.2 General Managers Report – Confidential (Report No: 17/23) in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Alwyndor Management Committee, pursuant to section 91(7) of that Act orders that the Attachments and Minutes be retained in confidence for a period of 12 months and that this order be reviewed every 12 months.

Moved by Prof Lorraine Sheppard, Seconded by Prof Judy Searle

Carried

8.2 Finance Report – Confidential (Report No: 18/23)

Exclusion of the Public – Section 90(3) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Alwyndor Management Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the General Manager and Staff in attendance at the meeting in order to consider Report No 18/23 in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Alwyndor Management Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 18/23, Finance Report - Confidential on the following grounds:
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
3. The Alwyndor Management Committee is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved by Cr Susan Lonie, Seconded by Prof Judy Searle

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

6. That having considered Agenda Item 8.2 Financial Report (Report No: 18/23) in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Alwyndor Management Committee, pursuant to section 91(7) of that Act orders that the Report, Attachments and Minutes be retained in confidence for a period of 18 months and that this order be reviewed every 12 months.

Moved by Prof Lorraine Sheppard, Seconded by Prof Judy Searle

Carried

9. **OTHER BUSINESS – Subject to the leave of the meeting**
Nil

10. **DATE AND TIME OF NEXT MEETING**

The next meeting of the Alwyndor Management Committee will be held on **Thursday 28 September 2023** in the Boardroom Alwyndor, 52 Dunrobin Road, Hove or via Audio-visual telecommunications (to be advised).

11. **CLOSURE**

The meeting closed at 7.57pm.

CONFIRMED 28 September 2023

CHAIRPERSON

Item No: 14.2

Subject: **INFORMATION REPORT – SOUTHERN REGION WASTE RESOURCE
AUTHORITY BOARD MEETING – 21 AUGUST 2023**

Date: 12 September 2023

Written By: Chief Executive Officer

Chief Executive Officer: Mr R Bria

SUMMARY

The Information Report of the Southern Region Waste Resource Authority (SRWRA) Board meeting held 21 August 2023 is provided for information.

RECOMMENDATION

That Council notes the Information Report of the Southern Region Waste Resource Authority Board meeting held 21 August 2023.

STRATEGIC PLAN

A city, economy and community that is resilient and sustainable.

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

BACKGROUND

Southern Region Waste Resource Authority (SRWRA) is a regional subsidiary established by the Cities of Onkaparinga, Marion and Holdfast Bay (the "Constituent Councils"), pursuant to Section 43 of the *Local Government Act 1999*. The functions of SRWRA include providing and operating waste management services on behalf of the Constituent Councils.

In accordance with Section 4.5.2 of the SRWRA Charter - 2022, there shall be at least six ordinary meetings of the Board held in each financial year.

Furthermore, Section 4.5.11 states that prior to the conclusion of each meeting of the Board, the Board must identify which agenda items considered by the Board at that meeting will be the subject of an information report to the Constituent Councils.

REPORT

In accordance with the above, the Information Report from the Board Meeting held on 21 August 2023 is provided for Members' information.

Refer Attachment 1

BUDGET

Not applicable

LIFE CYCLE COSTS

Not applicable

Attachment 1

Constituent Council Information Report

PUBLIC

Board Meeting Date: 21 August 2023

Report By: Chief Executive Officer

In accordance with Section 4.5.11 of the *Southern Region Waste Resource Authority Regional Subsidiary Charter - 2022*, the SRWRA Board identified the following Agenda Items to be the subject of a Public Information Report to the Constituent Councils (Cities of Onkaparinga, Marion, and Holdfast Bay).

Report Name

Report Summary

**Board Meeting
Code of Practice
Review**

The Code of Practice for SRWRA Board meetings was reviewed with no updates required; this document sets out the meeting procedures of the Board in line with the SRWRA Charter 2022 and the Local Government Act.

**Les Perry
Memorial Grant**

The Les Perry Memorial Grant Program was established in 2010 to recognise the substantial contribution made to SRWRA by the late Mr Les Perry. Les Perry was the Executive Officer of SRWRA from 1999 to 2007 and his dedication and tireless efforts are acknowledged within the waste management industry.

The primary purpose of the grant is to support projects and activities that contribute to the education of primary school students in the areas of waste minimisation and recycling. The grant program has proven to be successful to date and funding has been greatly appreciated by the recipient schools.

The grant program provides funding of up to \$750 per project, providing an opportunity for schools to implement projects with a focus on waste management, conservation, and biodiversity.

SRWRA received 15 grant application requests totalling \$9,918 for the 2023 school year, with all grant applications approved.

**Risk
Management
Reporting**

SRWRA provides regular risk management reporting to the Audit & Risk Committee and the Board, this includes regular reviews of the SRWRA risk register and identification of new and emerging risks.

Constituent Council Information Report – Public

Report Name

Report Summary

Chief Executive Officer's Report

The CEO summarised key activities over the last few months:

- The Southern Materials Recovery Facility (SMRF) joint venture committee meets every two months, discussions include operational efficiencies and commodity markets, with some SMRF products impacted by a drop in demand for some commodities.
- The Southern Recycling Centre is continuing to perform strongly, monitoring of tonnages received from the City of Holdfast Bay is continuing, to assess the impact of the introduction of weekly FOGO in this council area.
- The Department of Infrastructure and Transport (DIT) has advised that Ostrich Farm Road will be closed, up to the end of September, with all access to the SRWRA site via Bakewell Drive.
- The City of Onkaparinga is seeking grant funding to upgrade Ostrich Farm Road to better accommodate heavy vehicle traffic and improve access to the SRWRA site.
- SRWRA is continuing to develop a communication and education strategy to address demand for facility tours, information on our services and interest in the waste and recycling sector generally. Workshops have been held with key stakeholders, including constituent councils, as part of the development of this strategy.
- SRWRA offers regular Board member development opportunities, these include attendance at an industry lunch being held by the Waste Management and Resource Recovery Association of Australia (WMRR) and Green Industries SA (GISA) for the official release of the 2021-22 Circular Economy Resource Recovery Report (CERRR), previously known as the Recycling Activity Survey report.
- Chief Executive of Green Industries SA, Ian Overton, will share the results of the most recent report, which offers an important snapshot of the state of the resource recovery industry in South Australia. The findings will also help monitor performance against targets in South Australia's Waste Strategy 2020-25 and provide context for important initiatives underway and into the future.
- Attendees will also have the opportunity to meet and hear from the recently appointed Chair of the GISA Board, Nikki Govan. Nikki is an experienced chairperson and executive, who has held board positions in the public, private and not-for-profit sectors, including over nine (9) years at Business SA.

Next Meeting

The next scheduled meeting date for the SRWRA Board is Monday 25 September 2023

Item No: 15.1

Subject: **ITEMS IN BRIEF**

Date: 12 September 2023

Written By: Executive Officer and Assistant to the Mayor

Chief Executive Officer: Mr R Bria

SUMMARY

These items are presented for the information of Members.

After noting the report any items of interest can be discussed and, if required, further motions proposed.

RECOMMENDATION

That the following items be noted and items of interest discussed:

1. **Federal Government proposed Cardboard and Paper Export Bans**
 2. **The Uniting Church in Australia – Alcohol and Other Drug Rehabilitation Service – Uniting Communities**
 3. **Appointment to the SA Public Health Council**
 4. **Green Business Awards**
-

REPORT

1. **Federal Government proposed Cardboard and Paper Export Bans**

Council received correspondence from the Waste and Recycling Industry Association of South Australia and National Waste, Recycling Industry Council regarding the cost impact on councils from the Federal Government's cardboard and paper export bans. Council Administration has reached out to Southern Region Waste Resource Authority for their views on the paper, which will be tabled at a future Council meeting.

Refer Attachments 1 and 2

2. **The Uniting Church in Australia – Alcohol and Other Drug Rehabilitation Service – Uniting Communities**

The Mayor received correspondence from Rev Peter Morel, Moderator of The Uniting Church in Australia in response to a request for a meeting to discuss the Uniting Communities site at 5 Maturin Road, Glenelg.

Refer Attachment 3

3. **Appointment to the SA Public Health Council**

Council was advised on 1 September 2023 of the appointments of Mr Jack Darzanos (Town of Gawler) and Mayor Moria Jenkins (City of Victor Harbor) to the SA Public Health Council. In May, Council received an update from the Local Government Association for its nomination of Councillor Lonie.

Refer Attachment 4

4. **Green Business Awards**

The City of Holdfast Bay is inviting local businesses to nominate for the Green Business Awards from 8 September to 6 October.

The Green Business Awards recognise businesses that have shown leadership in undertaking sustainability initiatives, activities, or campaigns in the following award categories:

- Climate Action
- Circular Economy
- Waste Reduction
- Biodiversity
- Water Conservation
- Community Engagement

Nominations are to be submitted online via the City of Holdfast Bay website.

Winners from each category will be announced at an awards event on 9 November 2023.

The inaugural City of Holdfast Bay Green Business Awards is the first known Local Government sustainability award designed specifically for businesses in South Australia.

Attachment 1

22 August 2022

City of Holdfast Bay
Attn: Mayor Amanda Wilson
PO Box 19
Brighton SA 5048

Dear Mayor Wilson

Re: Mixed Cardboard and Paper Export Bans to have significant cost impacts for Councils

With the federal government's paper export ban coming into effect in 2024, the local recycling sector will face a hostile future market environment and be forced to increase rates for our customers. We wanted to alert you to the potential impacts this will have on Councils across Australia and share that we reject the Mixed Paper and Cardboard Rules in their current form.

In 2020 the Commonwealth Government of Australia imposed upon the Australian Waste and Recycling Industry its export regulations for secondary recycling commodities.

In July 2024, the final regulatory arrangements underpinning the Waste and Recycling Act will be enacted. This final piece of regulation is arguably the most important as it impacts all mixed paper and cardboard commodities. Mixed Paper and Cardboard volumes currently account for greater than 48% of all yellow top recycling bin contents used by more than 80% of all Australian households, all commercial and industrial businesses, including government institutions, hospitals, and aged care facilities.

The exposure draft of the regulations <https://consult.dcceew.gov.au/recycling-and-waste-reduction-export-paper-and-cardboard-rules-2023> propose a maximum 5% (from July 2024) contamination limit and a further reduction to 3% from July 1 2026 for all mixed paper and cardboard products. Consultation of the regulation closes on September 11.

Our Position

The paper and cardboard export market has successfully traded and self-regulated for decades. The introduction of this legislation has no demonstrated social, economic, or environmental benefits. Instead, it will increase costs, reduce recycling, and will fail to build Australia's local processing capacity.

As Australia is both a net importer and exporter of these products, and has done so for more than 100 years, our industry is faced with having to make important business decisions to comply with these unnecessary new government regulations if it wishes to continue trading internationally. Changes to all current operating recycling infrastructure will be required to meet the new specifications.

As a result of individual business decisions and with all companies that export and trade recyclable commodities having to also pay after July 1, 2024, the proposed federal government's *\$3.98 per tonne Recycling Tax*, those additional business costs must also be passed through to all generators of mixed paper and cardboard and all other commodities impacted by the export regulations.

Our Council is taking the unprecedented action of writing to advise that all generators of mixed paper and cardboard and other commodities impacted, will need to adjust their future budgets to allow for these additional new business costs our industry will incur, to meet with its compliance to this unnecessary government regulatory change.

We trust our concerns resonate and encourage your Council to make its own submission on the proposed regulatory instrument by challenging the Commonwealth Government of Australia, which is supported by all State and Territory Governments that have agreed to this legislation.

Yours sincerely



Rick Ralph
Chief Executive Officer
National Waste and Recycling Industry Council

Attachment 2

29 August 2023

By email.

Dear Council Mayor & CEO

Re: Cost impact on Council from Federal Governments cardboard and paper export bans

I am writing to you regarding the Federal Governments proposed regulatory arrangements for the export of paper and cardboard, and the impact for Council kerbside services.

In July 2024, the final regulatory arrangements underpinning the Waste and Recycling Act will be enacted. This final piece of regulation is arguably the most important to the recycling industry as it impacts all mixed paper and cardboard commodities. Mixed paper and cardboard volumes currently account for greater than 48% of all kerbside recycling bin contents used by more than 80% of Australian households, all commercial and industrial businesses, including government institutions, hospitals, and aged care facilities.

The Federal Governments paper export ban coming into effect in 2024, will introduce a range of measures that will create a hostile commodity market environment and as a result the recycling industry will be forced to increase rates for our Council customers.

The paper and cardboard export market has successfully traded and self-regulated for decades. The introduction of this overbearing regulatory regime has no demonstrated social, economic, or environmental benefits. Instead, it will increase costs, reduce recycling, and will fail to build Australia's local processing capacity.

As Australia is both a net importer and exporter of these products, and has done so for more than 100 years, our industry is faced with having to make important business decisions to comply with these unnecessary new government regulations if it wishes to continue trading internationally. Changes to all current operating recycling infrastructure will be required to meet the new specifications.

For recycling companies that export and trade recyclable commodities the Federal Government is also proposing to introduce a **new recycling tax** from July 1, 2024, of \$3.98 per tonne. This recycling tax will also have to be passed on to Councils and their ratepayers.

The exposure draft of the regulations <https://consult.dcccew.gov.au/recycling-and-waste-reduction-export-paper-and-cardboard-rules-2023> are currently open for consultation and I strongly encourage your Council and any Local Government waste management regional subsidiary to consider making a submission. Consultation of the regulation closes on September 11.

WRISA is a strong advocate for South Australia to contribute to the targets established under the National Waste Action Plan and transition to a circular economy, however the proposed Federal Government regulatory regime for recycling commodity exports is a backwards step.

If you have any queries please feel free to contact me at adam@wrisa.com.au.

Yours Sincerely



Adam Gray
Waste and Recycling Industry Association (SA)

Attachment 3



The Uniting Church in Australia
Synod of South Australia

21 August 2023

Mayor Amanda Wilson
Holdfast Bay City Council
Brighton Civic Centre
24 Jetty Road
BRIGHTON SA 5048

awilson@holdfast.sa.gov.au

Dear Mayor _____

RE: ALCOHOL AND OTHER DRUG REHABILITATION SERVICE – UNITING COMMUNITIES

Thank you for your email of July 24th, 2023, requesting a meeting with me, which would also include Councillor John Smedley, to discuss the Uniting Communities site at 5 Maturin Road, Glenelg.

I apologise that I am only responding now to your request, as I have been away overseas.

I am aware of the situation regarding the Alcohol and Other Drug Rehabilitation Service development in Holdfast Bay. The Uniting Church Synod of South Australia has links with all our UnitingCare organisations in association with the Uniting Church through its ministry centre, UnitingCare SA.

Uniting Communities is an independent organisation that manages its own operations and reports to its own separately incorporated Board. While UnitingCare SA maintains regular communications and relationships with all UnitingCare organisations including Uniting Communities, it cannot direct or manage any day-to-day activities within those organisations.

We understand the need for compassion for people who are experiencing the problems associated with alcohol and other drug use. In acknowledging this, it is recognised that eventually people in rehabilitation programs need to be housed somewhere. We note that local residents have also detailed the interests of community safety and the need for maintaining community relationships as good neighbours.

I recently met with Dr Kylie Heneker (Chair, Uniting Communities), Simon Schrapel (CEO of Uniting Communities), and Mark Waters (Director, UnitingCare SA). In this meeting we were advised of the State Planning Commission processes and discussed the need for Uniting Communities to continue to work through this situation with the local community and for their client group. Given the governance arrangements outlined above and the independence of Uniting Communities, we encourage you to continue to communicate with them to resolve mutual outcomes for all parties.

I hope that you, your elected members, and the wider community, can seek a form of collaboration in this instance.



I understand that after conversations with your Council, Uniting Communities have also prepared a Neighbourhood Agreement which, we hope, would serve to allay the concerns of the community as to the strict parameters in which the service will be managed and the requirements upon participants.

It would appear from my reading of this document that it seeks to address several of the matters raised by the local community.

I take heart from this Neighbourhood Agreement, noting that participants are voluntary and coming to an Alcohol and Other Drug Rehabilitation Service having already sobered up and detoxed. This is reinforced by regular breath and drug testing to maintain participants' 'clean' status. The other aspect that is stressed in this document is the level of supervision and the value of the social contract with participants to stabilise their lives and arrive at positive therapeutic and well-being outcomes.

Uniting Communities runs 12 of these houses across the metropolitan area and the feedback from those neighbourhoods has been that concerns raised for local residents do not arise.

We see the mission of the Uniting Church as reaching people on the margins and supporting safe neighbourhoods. We want to encourage communities to allow people to integrate effectively into the community when they have experienced problems with alcohol and other drugs (or indeed, other issues such as homelessness, offending, mental health issues etc).

We hear Jesus' call to embrace and include the unloved as well as the loved into God's community.

If you feel you would still like to meet with me, I would be happy to do so at a mutually convenient time and place, along with Mark Waters as Director, UnitingCare SA. Please contact my Personal Assistant, Mrs Silvana Marveggio via email at: smarveggio@sa.uca.org.au.

Kind regards



Rev Peter Morel
MODERATOR

Attachment 4

From: [LGA - Nominations](#)
Subject: SA Public Health Council: Notice of appointment
Date: Friday, 1 September 2023 3:42:47 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Dear Chief Executive Officer

RE: Appointment to the SA Public Health Council.

Earlier this year, the LGA received a nomination from your council or organisation to the above outside body. The LGA has since been made aware, by notice in the Government Gazette on [13 July 2023](#), of the appointment of:

Mr Jack Darzanos (Town of Gawler) and Mayor Moira Jenkins (City of Victor Harbor)

to the **SA Public Health Council**.

Please advise your nominee (or nominees) of this outcome.

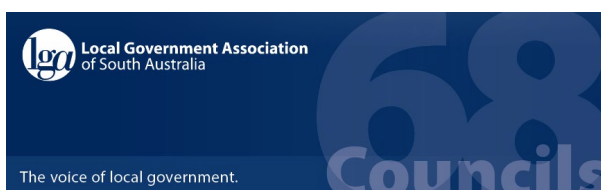
If you have any queries in relation to this matter please contact me on 8224 2037 or email nominationscoordinator@lga.sa.gov.au.

Kind regards,
Tami

Tami Norman • Director Governance | Nominations Coordinator • Local Government Association

nominationscoordinator@lga.sa.gov.au • www.lga.sa.gov.au • Follow us on    
148 Frome Street Adelaide 5000 • GPO Box 2693 Adelaide SA 5001

The LGA acknowledges Aboriginal and Torres Strait Islander people as the traditional custodians of the land, and we offer our respects to their Elders past, present and emerging. We advocate for and encourage South Australian councils to strengthen relationships with their local Aboriginal communities.



WARNING AND DISCLAIMER: The information provided by the LGA in this email does not constitute legal advice. If legal advice is required, we suggest that you seek out the services of a qualified legal provider. The contents of this email and any files transmitted with it are confidential and may be subject to legal professional privilege and copyright. You must not copy or distribute this message or any part of it or otherwise disclose its contents to anyone without written authorisation from

the LGA. No representation is made that this email is free of viruses or other defects. Virus scanning is recommended and is the responsibility of the recipient. We take no responsibility for misdirection, corruption or unauthorised use of email communications, nor for any damage that may be caused as a result of transmitting or receiving an email communication. If you have received this communication in error, please delete the email and advise us immediately.

Item No: 15.2

Subject: **2022/23 ANNUAL REVIEW OF INVESTMENTS**

Date: 12 September 2023

Written By: Manager Finance, Chief Financial Officer - Alwyndor

General Manager: Strategy and Corporate, Ms S Wachtel

SUMMARY

Section 140 of the *Local Government Act 1999* (the Act) requires Council to review the performance of its investments on an annual basis. This report explains the process for investing funds, amount of funds invested during 2022/23, and investment performance against budget for Council's municipal and Alwyndor activities.

The Audit and Risk Committee received and noted the Municipal and Alwyndor investment performance reviews at its meeting on 16 August 2023.

RECOMMENDATION

That Council receives and notes the report comprising a performance review of 2022/23 investments, as required under section 140 of the *Local Government Act 1999*.

STRATEGIC PLAN

Not applicable

COUNCIL POLICY

Treasury Management Policy

STATUTORY PROVISIONS

Local Government Act 1999, sections 139 and 140

BACKGROUND

The Act requires councils to review the performance of its investments annually. Council invests its funds in accordance with its Treasury Management Policy ensuring funds are preserved and invested within legislative requirements and sound prudential requirements.

Section 139 of the Act details the investment powers of a council. It requires a council to exercise care, diligence and skill in placing and managing investments, while avoiding speculative or hazardous investments. It also stipulates matters to be taken into account when placing investments including the nature of risk, likely income return, effect of inflation, the costs of making the investment and any anticipated community benefit.

Council's Treasury Management Policy requires all surplus Municipal funds to be invested with secure financial institutions with the Local Government Finance Authority (LGFA) being the preferred institution.

Alwyndor has in place an *Investment Strategy and Policy* framework which enables longer-term investments to be placed via an external fund manager, Ord Minnett. These include a range of investments covering Australian Equities, International Equities, Fixed Interest, Hybrid, Property, and Cash.

Separate reports for Municipal and Alwyndor investment performances were received and noted by the Audit and Risk Committee on 16 August 2023.

REPORT

This report deals with investment performance resulting from the investing of day-to-day surplus funds (operating funds) with the LGFA or for Alwyndor specific reserves investments via external investment advisor, Ord Minnett.

Investment Policy Framework

For 2022/23, Council's investment policy states that the LGFA is the preferred financial institution for Municipal cash investments. It is guaranteed by the State and is managed and administered by a Board of Trustees, working for the benefit of councils and other Local Government bodies within South Australia.

The LGFA offers an annual bonus payment which enables it to share its financial success with member councils. It is calculated in relation to the average deposit and loan levels held by the LGFA during the financial year.

Other approved Municipal investment types include SA or Commonwealth Government Bonds and interest bearing deposits or bank bills with a credit rating from Standard & Poor's of not less than A1 for investments up to 12 months and not less than AA- for longer investments.

For Alwyndor funds, longer-term investments are held via external fund manager Ord Minnett as per the *Investment Strategy and Policy*, and include Australian Equities, International Equities, Fixed Interest, Hybrid, Property, and Cash.

Municipal Funds

2022/23 Investment Placement

All of Council's Municipal cash investments were placed with the LGFA. Due to cash flow requirements and the utilisation of cash advance debentures, no new major fixed-term investment opportunities arose during the financial year.

LGFA Bonus Payments

The Board of Trustees of the LGFA annually determines that a special distribution payment be made from surplus funds to councils and prescribed authorities who used the LGFA services. The allocation and amounts are calculated in relation to individual council deposit and debenture loan levels maintained with the LGFA over the financial year. The bonus payments equate to approximately 0.22% per annum on average deposits and loans. Council received a \$37,909 bonus payment for Municipal funds in 2022/23.

Cash Backed Reserve Fund Investments

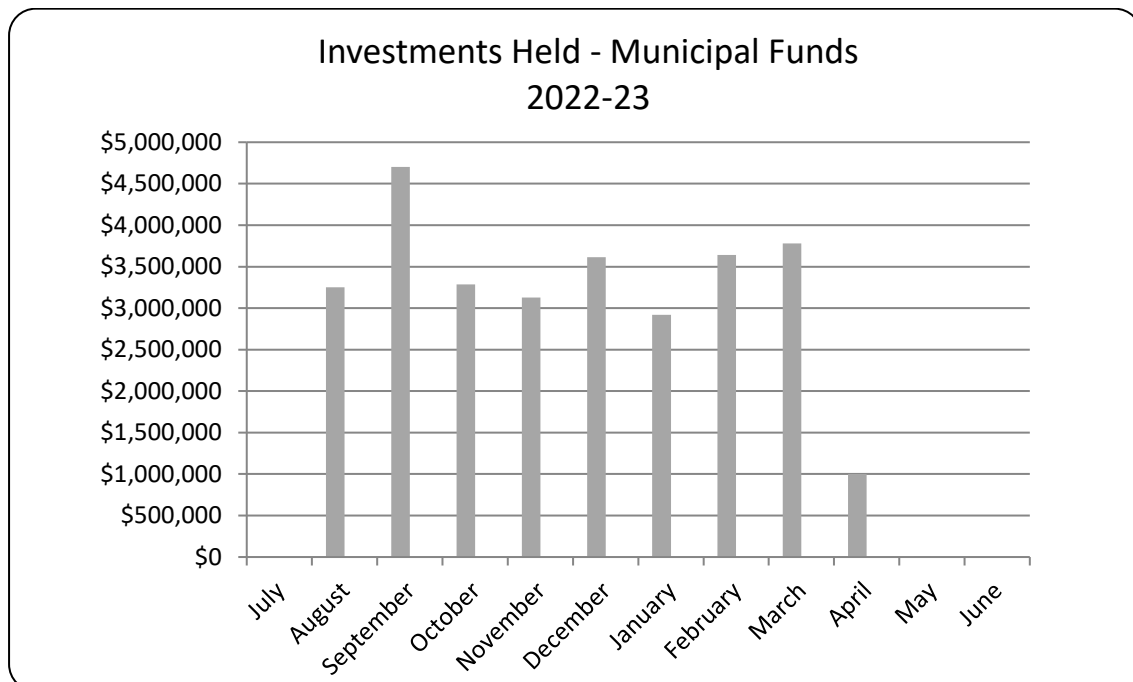
Council's Treasury Management Policy states that cash-backed Municipal reserves will not be maintained unless required by legislation or agreed to with third parties. Reserves that are legally required to be maintained include developer contributions.

2022/23 Overall Budget Result

The original total forecast for investment income was \$20,000 for Municipal operations. The Municipal budget forecasts were increased to \$112,000 due to significantly higher interest rates than anticipated and the impact on cash flow due to the timing of major capital expenditure. The final 2022/23 actual result was \$139,270 for Municipal operations.

Levels of Investment

There were no Municipal invested funds held as at 30 June 2023 compared with \$650,000 at 30 June 2022. The following chart highlights the level of investments held for Municipal funds during 2022/23. The amounts invested peak when quarterly rates notices are due and upon receipt of significant grants.



Municipal Funds Investment Performance

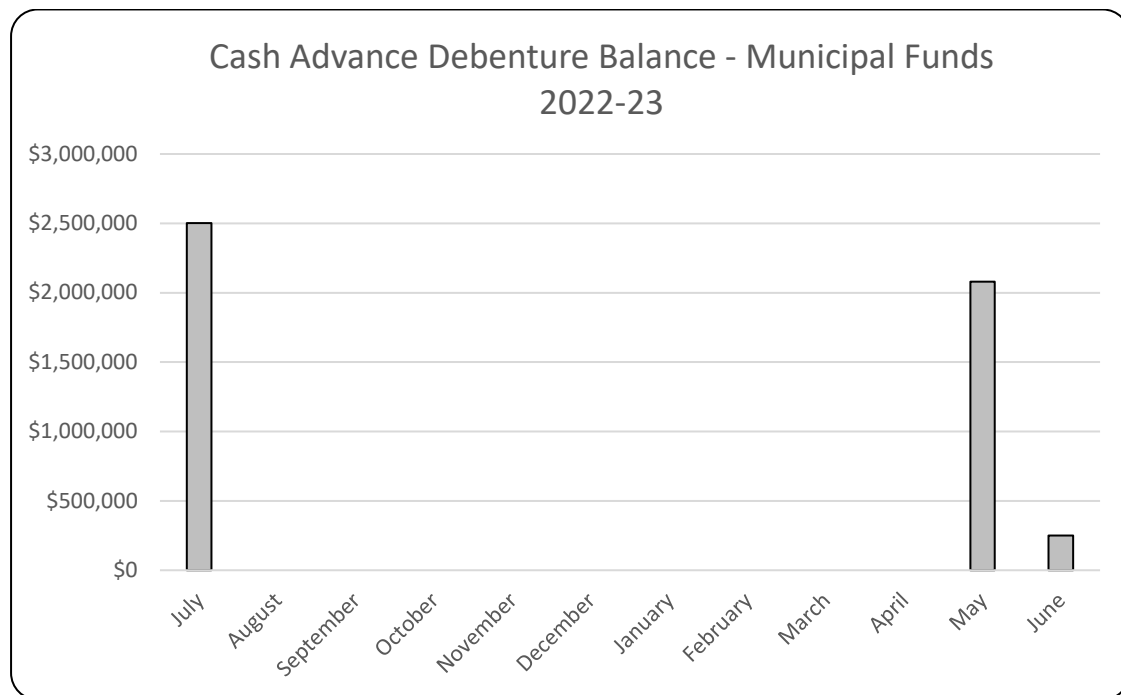
2022/23 Interest rate movements

During 2022/23, official interest rates were significantly increased by the Reserve Bank of Australia (RBA). Over that twelve-month period interest rates were increased on ten occasions from a low of 0.5% in July 2022 to a high of 4.1% in June 2023.

As part of the RBA's strategy to combat high inflation they have increased rates by four percentage points since May 2022. Their aim is to establish a more sustainable balance between supply and demand in the economy but have not yet determined whether this has been achieved, leaving the option open for further increases if deemed necessary.

Cash Advance Debenture movement during 2022/23

During 2022/23 available cash was utilised to meet regular operational cash flow requirements and capital expenditure. The Treasury Management Policy for Municipal funds states that available funds are to be first used to repay debt and to avoid raising new debt. During 2022/23, short-term cash advance debenture (CAD) borrowings were used when temporary cashflows were required, however, there was no funding requirement for new fixed-term borrowings. The CAD draw-down timings reflect these cash flow requirements.



During 2022/23 a total loan principal amount of \$1,073,330 was repaid on fixed term loan borrowings. The total fixed term principal outstanding as at 30 June 2023 is \$13.4m with a weighted average interest rate of 4.06%.

Alwyndor Funds

2022-23 Investment Placement

All Alwyndor investments were held with either the State backed LGFA or via external investment advisor Ord Minnett.

LGFA Bonus Payments

The Board of Trustees of the LGFA annually determines that a bonus payment be made from surplus funds to councils and prescribed authorities who used the LGFA services. Alwyndor received a \$23,570 bonus payment for funds held with LGFA.

Alwyndor received a total of \$58,846 in interest on the funds held with LGFA. This amount corresponds to an average interest rate of 2.9%.

Cash Backed Reserve Fund Investments

Reserve funds at Alwyndor are invested in accordance with prudential requirements that include holding \$2.5m at call and investing the balance with either LGFA at call or via external investment manager, Ord Minnett.

Levels of Investment

Alwyndor's investment objective is to provide sufficient liquidity and capital preservation, as well as growth of surplus capital reserves over time.

As of November 2021, a total of \$12.5m was invested and no further additions to this amount have been made to date.

The operational Alwyndor account is the day-by-day cash account. All receipts and payments are processed through a bank account and any surplus funds arising are invested in accordance with the current policy.

Alwyndor Investment Performance***Interest and dividends received during 2022/23***

The total amount earned was \$747,000 which is an increase on the revised forecast of \$663,000. The additional income compared to budget was mainly due to a conservative budget assumption as the investment portfolio with the external advisor was not known at the time.

Investment performance

The investment performance has resulted in a fair value movement representing unrealised gains of \$134,000 as at 30 June 2023. Alwyndor's Investment Strategy and Policy is based upon a long-term investment plan with the assumption that performance will fluctuate over a seven-year period. This plan represents an asset allocation split of 40% growth and 60% income.

The portfolio return is 1.55% since inception, positive 8.05% for 2022/23 which is a significant improvement from last year's negative return of -9.43%.

Cash income return is annualising at 5%, which will continue to increase based on interest rate rises on the interest rate securities.

BUDGET

The 2023/24 Municipal investments budget has been set after taking into consideration the Treasury Management Policy, interest rate environment, and surplus operational funds. The original Municipal budget has been set at \$72,000.

The 2023/24 Alwyndor investments budget has been set after taking into consideration the Treasury Management Policy, interest rate environment, level of reserve requirements and surplus operational funds. The approved budget for interest earned on cash and investment income from external investment advisor Ord Minnett, has been set at \$856,000.

LIFE CYCLE COSTS

This report deals with 2022/23 investment performance. It does not have any full life cycle cost implications.

Item No: 15.3

Subject: **KING GEORGE AVENUE – KOALA CROSSING**

Date: 12 September 2023

Written By: Manager, Engineering

General Manager: Assets and Delivery, Ms P Jackson

SUMMARY

Council carried two motions on 14 March 2023 to undertake design and construction of two separate school crossing points at King George Avenue, Hove and Partridge Street, Glenelg.

Design has reached a hold point for King George Avenue as the construction estimate has exceeded the allocated funding.

Administration request approval to increase the adopted budget the King George Avenue koala crossing from \$40,000 to \$100,000 for design and construction. Delivery is to be undertaken during the summer school holidays.

It is anticipated the budget for the Partridge Street wombat crossing project will increase by a similar factor.

RECOMMENDATION

That Council:

- 1. notes the report and project progress; and**
 - 2. endorses the additional budget of \$60,000 to complete the King George Avenue koala crossing.**
-

STRATEGIC PLAN

Our Place 2050+

Sustainability: Prioritise sustainable and active transport (such as walking and cycling) across the city, including by reclaiming streets for play and nature and improving walkability to support healthy ageing

Sustainability: Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

BACKGROUND

King George Avenue is a major collector road which carries over 3,000 vehicles per day. There are over 50 pedestrians who cross King George Avenue in both the morning and afternoon school peaks which would meet the warrant for a koala crossing.

As this section of King George Avenue currently has speed humps, the speed environment is less than 40 km/h and the school has an emu crossing (flagged school crossing) with a speed limit of 25 km/h when children are present and the flags are up.

Council carried a motion on 14 March 2023:

Motion on Notice – Koala Crossing King George Avenue, Hove – Councillor Fleming

That Council:

- 1. approves the installation of a koala crossing on King George Avenue outside McAuley Community School to replace the existing emu crossing; and*
- 2. allocates a budget of \$40,000 in the 2022/23 financial year to undertake this work.*

The koala crossing would be at grade and include flashing lights which would operate during school start and finish times. Whilst the lights are flashing, the speed limit would be 25 km/h.

Outside of school times when the lights are not flashing, the crossing would not be in operation and the default 50 km/h speed limit would apply requiring pedestrians to cross giving way to traffic. No additional street lighting would be required as the crossing would only operate during daylight hours.

A second motion was carried on 14 March 2023:

Motion on Notice – Pedestrian Safety and Traffic Calming Measures – Councillor Smedley

That Council installs a raised wombat crossing with amber flashing lights, to replace the existing emu school crossing on Partridge Street, Glenelg adjacent to St Peter's Woodlands School and Council allocates a budget of \$150,000 in the 2022/23 financial year to undertake this work. The preference is for the flashing lights to be school activated.

These two crossing are currently being designed in a package and both have similar design and budget challenges. Both projects should be considered for decision making.

REPORT

A tender for the provision for design services for both Partridge Street and King George Avenue crossing was undertaken in May 2023.

The King George Avenue koala crossing is currently at detailed design stage (90%) and Partridge Street wombat crossing is currently at the revised concept design stage (50%) following an agreed change in the proposed crossing location with the school, relocating the crossing point 20 metres south.

On 24 August 2023 the consultant submitted the construction cost estimate and bill of quantities for the King George Avenue crossing based on the 50% design, which was \$79,300 (exc. GST). See summary below.

Summary of Works

CONSTRUCTION WORKS

Preliminaries	\$9,500
Civil Works	\$15,517
Electrical and Signal Works	\$38,170
Sundries and Miscellaneous	\$16,050
Construction Works Subtotal (exc. GST)	\$79,300

Including the proportion of the design costs (\$17,800), the revised total project estimate is approximately \$100,000.

The original estimates for both projects were based on past projects undertaken and industry construction unit rates. The substantial increases are due to a number of factors including increases in materials, labour, fuel and dumping costs as well as the competitive nature of the construction market at capacity. It should be noted that final construction costs are subject to the market and tender process.

Timing to undertake these works in the preferred October school holidays will be subject to market availability and lead times for materials. A more realistic expectation is delivery during the December summer school holidays.

Approval for additional funding should also consider additional costs associated with the Partridge Street crossing project, which is expected to increase by a similar factor due to the relocation, footpath works to achieve DDA compliance, demolition of the existing emu crossing, reinstatement of road pavement, traffic management and the outcome of the SA Water service dispensation.

Timing for the Partridge Street crossing design is expected to be completed in September with construction works expected to begin in the December summer school holidays, subject to DIT and SA Water approvals.

Administration request approval to increase the adopted budget the King George Avenue koala crossing to \$100,000 (exc. GST) for design and construction. Delivery is to be undertaken during the summer school holidays.

Once the design estimate is received for the Partridge Street wombat crossing another Council report will be prepared for approval of additional funding in October. Delivery is expected to be undertaken during the summer school holidays.

BUDGET

Construction estimate for the King George Avenue koala crossing is \$79,300 and design is \$17,800. The construction estimate will be subject to market factors through a procurement process.

Administration's estimate for total budget is \$100,000 and request an additional budget of \$60,000.

It is estimated that the Partridge Street wombat crossing project will increase by a similar factor due to crossing relocation, service locations, traffic management, increased construction costs and dumping fees.

LIFE CYCLE COSTS

Ongoing management, operations and maintenance costs are to be included in future operational lines.

Renewal costs following a useful life will be incorporated into the Transport Asset Management Plan following capitalisation.

Item No: 15.4

Subject: **STORMWATER HARVESTING SCHEME – FREDERICK STREET CATCHMENT**

Date: 12 September 2023

Written By: Manager, Engineering

General Manager: Assets and Delivery, Ms P Jackson

SUMMARY

The City of Holdfast Bay is currently undertaking a jointly funded stormwater project with the City of Marion and the Department for Environment and Water (DEW) to reduce the stormwater flows to Gulf St Vincent through a rainwater tank subsidy scheme pilot.

The pilot has been unsuccessful due to an insufficient uptake of the scheme and the project steering group is seeking Council approval for the projects next steps.

The steering group has been presented with three options and recommends using the remaining funding to install infiltration devices into the streetscapes of the Frederick Street catchment for stormwater harvesting to meet the intent of the funding through reduction of polluted stormwater flows to Gulf St Vincent.

RECOMMENDATION

That Council:

1. **notes the project progress;**
 2. **notes the uptake of residents who accepted the grant for private rainwater tanks; and**
 3. **endorses the Option 3 proposal to use the remainder of the project funding to install infiltration devices on the streetscape of the Frederick Street Catchment.**
-

STRATEGIC PLAN

Our Place 2050+

Sustainability: Stormwater discharge has been reduced and more stormwater is re-directed for use on Council-controlled property

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

BACKGROUND

In partnership with the City of Marion, Council has been systematically implementing our joint Coastal Stormwater Management Plan. Consequently, we have jointly investigated water management options to reduce polluted stormwater flows to Gulf St Vincent by up to 30%.

A consultant was engaged to identify and prioritise management solutions to recommend the best value solution to reduce stormwater flows to the Gulf. The report concluded that rainwater tanks provide an economical method to help meet this target accepting that other methods, such as permeable surfaces, rain gardens and wetlands are continued to be deployed as part of existing civil and open space project delivery.

As part of the Government of South Australia's *New Life for our Coastal Environment* commitment, funding was offered to invest in projects to limit damaging stormwater run-off containing sediment and pollutants from entering Gulf St Vincent.

As the Frederick Street catchment flows into the City of Holdfast Bay and then into the Patawalonga Lake, the project is a tripartite arrangement between the Department for Environment and Water (DEW), City of Marion and City of Holdfast Bay. The Frederick Street catchment has been selected as it already has flow monitoring incorporated and is aligned to the objectives of the *New Life for our Coastal Environment* commitment.

The total project budget is \$260,000 with \$130,000 funding from DEW and \$65,000 from each Council (Motion C100821/2385).

On the way towards the 30% diversion target, this project sought a 10% reduction in stormwater flows from the catchment by incentivising residents to install a rainwater tank on their property through a rebate scheme. It was expected that funding would deliver up to 70 new or existing tanks plumbed to enable internal reuse of water.

The project has a steering group with the three project sponsors DEW, City of Marion and City of Holdfast Bay as well as representation from the University of South Australia and Water Sensitive SA to advise on the project. The project has employed a University of South Australia Masters student for two years, currently into the second year. The employment of a student was considered value for money compared to engaging consultants.

REPORT

To date, the following project activities and actions have occurred:

- upgrade of flow monitoring station and communication for data logging flows
- monthly steering group meetings
- recalibrate the existing catchment flow model with higher quality data from a new flow meter
- literature review on rainwater tank rebate scheme

- produced research proposal and ethics clearance
- Making Marion community engagement webpage
- Communications and Engagement Plan
- produced and delivered an introductory letter and survey to all residents, collated survey information and produced a response report
- undertook door knocking
- modelled effect of installing a range of rainwater tanks in the catchment under different rain events and reduction in run-off with sensitivity testing
- 90 residents indicated an interest
- details of residents that expressed an interest provided to plumber (City of Marion panel approved contractor)
- the plumber contacted residents and undertook site assessments, providing 24 quotes
- quotes were returned with a covering letter informing residents of rebate of \$2,000 with total costs varying from \$3,500 to \$8,000, averaging approximately \$4,000
- current uptake of the rebate from less than five residents will be honoured

The uptake by the residents, despite a considerable incentive, was not sufficient for a successful trial. A survey will be conducted with the 90 residents that expressed an interest to understand the reasons why the rebate scheme failed. The survey will investigate barriers and benefits and how it relates to engagement and behaviour change. The project team are also working with Melbourne Water and Water Sensitive SA on a case study to widely publish lessons learnt.

There is a combined estimate of \$180,000 remaining in the project budget (approximately \$45,000 City of Holdfast Bay portion). Three options have been presented to the steering group for next steps to utilise the remaining project funding and meet the project intent to limit damaging stormwater run-off containing sediment and pollutants from entering Gulf St Vincent.

Option 1: Return remaining funds to Council and acquit grant

Return remaining funds to the funding agencies. This would equate to approximately \$45,000 being returned to the City of Holdfast Bay. The project aims would not be achieved with this option.

Option 2: Divert remaining funds towards installing a new injection and extraction well at Oaklands Wetland

This has the potential to reduce run-off to the Gulf by 65ML per year. This option will be of the benefit to the City of Marion's water recycling business and not something that Council would typically contribute to. The project cost is estimated to be \$480,000, exceeding the project budget. This will also be a one-off improvement without a replicable element to apply in our own Council.

Option 3: Installation of infiltration devices into the streetscapes of the Frederick Street catchment for stormwater harvesting

This option involves the installation of stormwater inlets in the kerb connecting to an infiltration system detaining water until it soaks into the soil in the verge. Three types of

infiltration devices are proposed to meet the varied opportunities within the verge spaces. The proposal states that the required 10% reduction of stormwater runoff will be achieved.

Water Sensitive SA organised a meeting with Space Down Under, a local Adelaide company, to develop this proposal. They focus on developing, improving and delivering sustainable stormwater harvesting solutions to support healthy urban forests.

Refer Attachment 1

The University of South Australia provided a peer reviewed, published scientific reference paper to validate the claim of a 10% flow reduction of this proposal. The critical review from the University of South Australia concluded that the projected 10% reduction in volume is achievable through this proposal.

Refer Attachment 2

The steering group recommends Option 3 because it delivers the required outcomes of the funding, results in stormwater management being funded in the public realm and the project is scalable across the wider council areas.

The majority of inlets for this option will be installed in the City of Marion as the catchment is approximately 95% within the City of Marion. As the City of Holdfast Bay is downstream from the catchment we will also receive the benefit of flow reduction on our stormwater network.

The catchment has been selected as it already has flow monitoring incorporated and ongoing monitoring and evaluation will be possible to track the success of this trial over time.

DEW have advised they are supportive of Option 2 or 3. If Council elects either Option 2 or 3, a variation to the grant agreement with DEW will be requested in writing. If Council elects to close the project the remaining funds will be returned to DEW and Council.

A further report to Council will be completed on the outcome of this project.

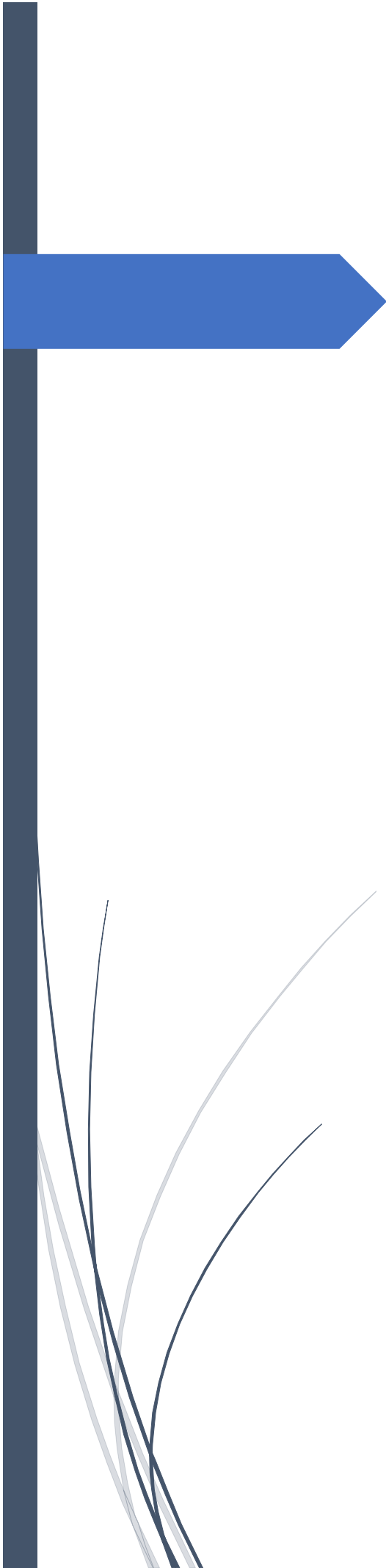
BUDGET

The City of Holdfast Bay remaining contribution of approximately \$45,000 has been provided.

LIFE CYCLE COSTS

Operational, maintenance and renewal costs of any assets constructed in the City of Holdfast Bay. Total number to be determined.

Attachment 1

A dark blue vertical bar runs down the left side of the page. A blue arrow points from this bar towards the right, pointing at the title text.

Stormwater Harvesting Project: Fredrick Street catchment, City of Marion

Draft plan

Several thin, curved lines in shades of blue and grey originate from the bottom left corner and sweep upwards and to the right, creating a sense of movement or flow.

Stormwater Harvesting – Fredrick Street Catchment, City of Marion

1 The Project

1.1 Background

A rapidly increasing population, together with climatic variability and climate change are all contributing to severe water shortages in Australia. This is encouraging councils to seek alternative water supplies for their considerable environmental watering needs. Vegetated areas and strategically maintained trees improve the quality of life by providing vibrant ecosystem services.

Kerb Space inlet systems are designed for ready implementation across metropolitan catchments to provide multiple benefits to meet Local Government objectives. The point source capture and infiltration of storm water from residential streets and arterial roads will reduce total loss from catchments to passively irrigate local street trees. Kerb Space inlets are installed in the kerb; they connect to an infiltration system (Trench model (T275L) or Pit model (P200L) or SIDS model (Shallow Infiltration Distribution System) which detains the water until it soaks into the soil in the nature strip. Trees act as a sink for carbon dioxide during photosynthesis and store carbon in the biomass form. Trees should be planted and maintained to optimise tree health, effective stormwater management and other environmental benefits.

These systems deliver stormwater quality and quantity benefits while the increased irrigation of street trees helps to mitigate the urban heat island effect and improve other environmental and human outcomes. By intercepting the ‘first flush’ of stormwater, Kerb SPACE inlet Systems remove pollutants near their source. This promotes biosequestration of nutrients such as phosphorous and nitrogen that might otherwise cause algal blooms in receiving waters downstream. The previous research outcomes summary with the published data is attached in Appendix II. This will allow prove helpful in the decision-making process. This project presents new opportunities to reduce outflow from the Frederick street section by 10 to 15% whilst improving the local environment and mitigate climate change.

1.1.1 Project objectives

- To reduce the 10 to 15% flows from Fredrick Street section using Kerb SPACE inlets.

1.1.2 Potential project requirements

- Number of kerb space inlet installation sites
- Monitoring sites, data collection
- Pre/post installation information
- Data presentation and sharing

1.1.3 Project sites and stormwater harvesting tool

- Fredrick Street Catchment, City of Marion
- Capture zone – R750 kerb SPACE Inlet (see attached appendix 1)
- Types of infiltration zone - T270L or P200L or SIDS. (see attached appendix for 3D design and PDF file for drawing)

1.1.4 Stakeholders for the project

- City of Marion, Space Down Under, UniSA, City of Holdfast Bay Council,

1.2 Project design and methodology

1.2.1 Scientific terminology

- Research site: a single location (e.g. street) containing all infiltration systems.

1.2.2 Project design (TBA)

Based on recent site visit and early-stage assessment of the site.

The number of units and cost of installations is mention in following table:

Tools	Per unit costs (\$) AUD	Number of units (TBA)	GS Civil Installation cost *each (\$) AUD	Total costs (\$) AUD
Capture zone – R750	168	100	430	\$59,800
Infiltration zones				
Trench model (T275L)	160	33	950	\$36,630
Pit model (P200L)	155	33	750	\$29,865
SIDS	95	34	550	\$21,930
Total				148,225

*Costs based on standard site conditions with mechanical excavation (ex GST)

If hydrovaccing is required an extra \$200 per inlet will apply

Note: All the infiltration zones cost – including the supply of manifold for inspection

2 Overview of methods

2.1 Quantifying stormwater runoff capture

Stormwater runoff capture can be determined from a combination of:

- determining connected impervious catchment
- quantifying rainfall
- quantifying water levels in the infiltration pit/trench/SIDS systems

The catchment area combined with a rain gauge is used to quantify the volume of runoff generated by the catchment directly connected to each tree. To determine how much water is captured by the trench, we install a water level sensor. The runoff capture performance can then be determined simply by how much runoff the systems capture relative to the amount supplied by the directly connected impervious catchment.

3 Experimental design and management

3.1 Planning – Task 1 (Pre-installation phase)

1. Site selection: Coordinate with council Engineers and UniSA

The first question is: at how many study sites do you want to install the kerb SPACE inlet systems.

- Availability of sites at a suitable stage of development, as well as available funding, will drive this decision.

3. Determine the catchment area for each system

To understand how effective each system is, we need to know what proportion of runoff generated in each catchment is captured for different rainfall depths and intensities. This will tell us about whether inlets are clogged and under what conditions each design works.

A combination of GIS and field assessments are needed to determine the contributing catchment area of each system. For roof connections, this is relatively simple. For road catchments, this needs a thorough site analysis to determine contributions from the catchment as well as any driveways/cross-overs.

3.2 Installation and data collection - Task 2

3.2.1 Install a rain gauge

Rainfall is very patchy and if you are interested in the runoff reduction performance of these systems, nothing beats measuring rainfall at the site. That said, like all equipment, rain gauges need regular maintenance and data needs to be downloaded and checked.

Therefore, if the study site is near (<5 km) to a Bureau of Meteorology or check with council.

3.3 Data analysis - Task 3

Runoff capture efficiency will be determined by first calculating how much runoff was generated by each rainfall event, then how much of that runoff entered the system.

- Calculating the volume of runoff generated in the catchment.
- Calculating the volume of runoff captured by the infiltration.

3.4 Project evaluation and reporting - Task 4

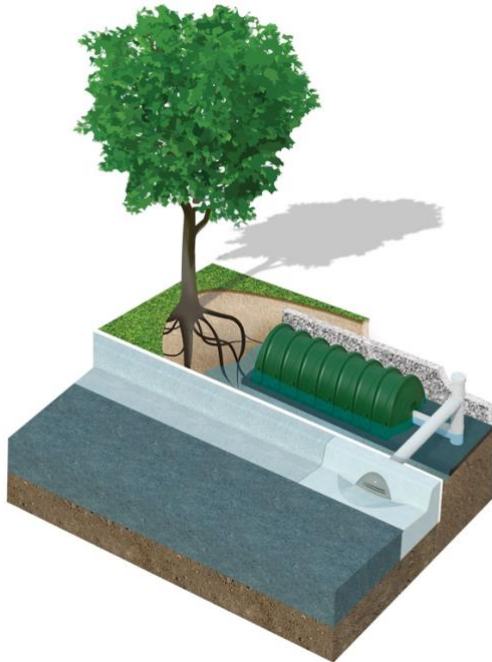
- Quantifying maintenance requirements
- Internal reporting of performance and effectiveness of the systems
- Reporting project outcomes/findings
- Publications and conferences

4 Appendix – I

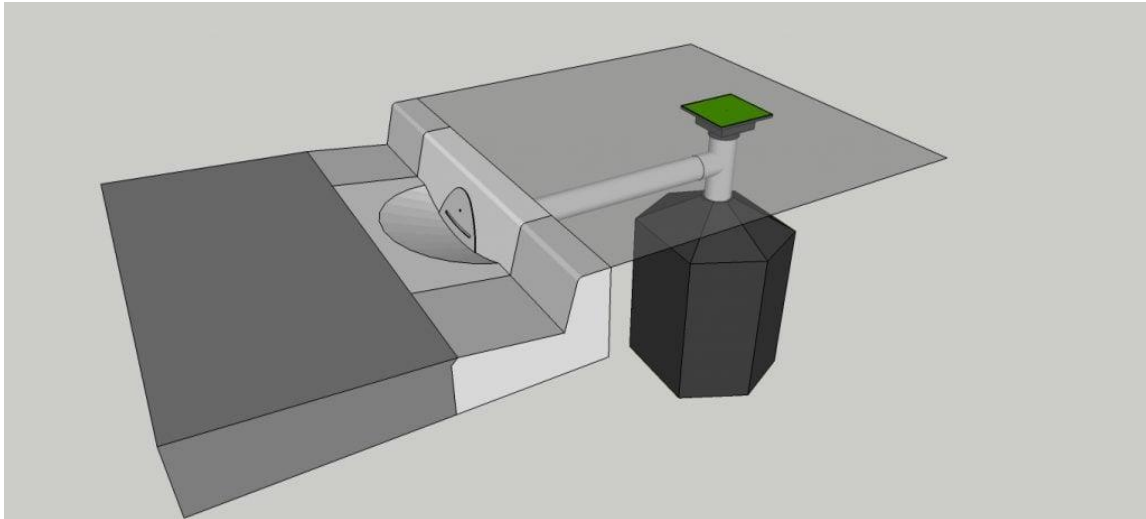
The section shows photographs, conceptual design models and drawings of inlet capture zone and infiltration zones.



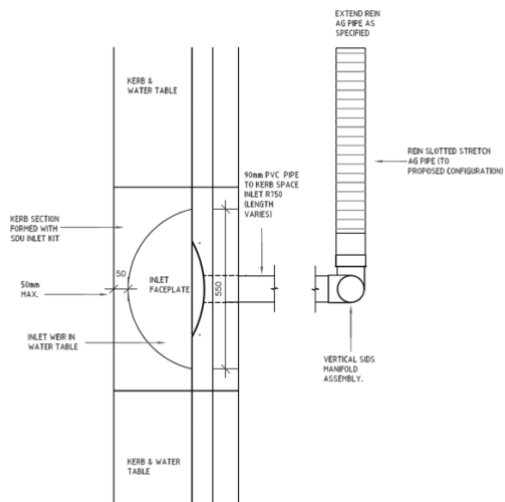
Capture zone – R750 Kerb Space inlet



Infiltration zone – Trench model T275L



Infiltration zone Pit model P200L



Drawing of SIDS model showing pipe in one direction and photograph of SIDS showing water

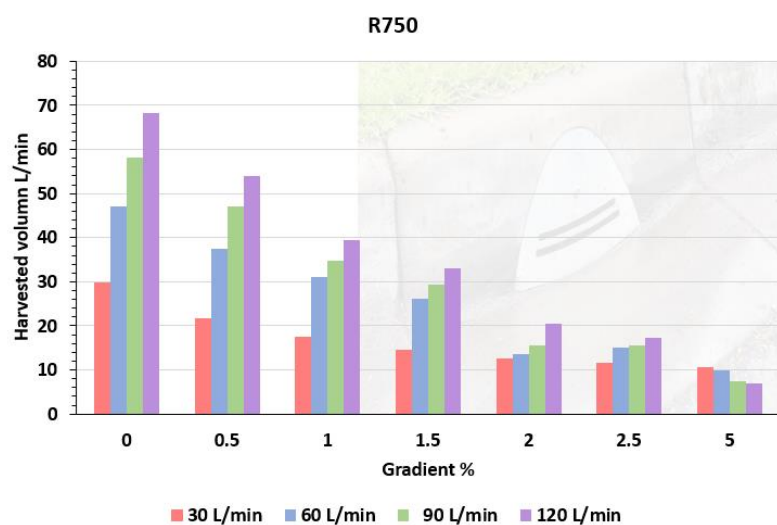
5 Appendix – II

Summary of Study 1:

Kerb SPACE inlet: performance (Acceptance capacity)

Please see the following graph for the acceptance capacity of the Kerb SPACE inlet at various grades tested at the University of South Australia Flow and Management Group. The kerb SPACE inlets are designed to harvest stormwater to provide passive irrigation. The performance doesn't diminish to negligible with increasing gradient or gutter flow volume but that harvest is sustained at a minimum level of 7 ~ 11 l/minute at 5% grade, the trees still get a good drink even at high flow and high gradient. So if 10 L/min and if it's continuous rainfall for an hour or two trees get 600 L/hr.

Based on two published Ph.D. on (Kerb SPACE inlets) results, it is indicated that an increase in storage volume (infiltration systems) improved the runoff retention performance.



Infiltration system – Leaky well hydraulic performance

Based on the outcome of two published Ph.D. on inlets and infiltration systems (Leaky wells), it is indicated that an increase in storage volume (infiltration systems) improved the runoff retention performance. Bigger is better when it comes to the 'infiltration system' in clay soil. The related paper is attached

The study conducted by UniSA student (Shahzad et.al.) in 2022 key results:

Phase 1 2017 (93 Kerb SPACE Inlets) Rainfall: 80,060 m3 Reference discharge = 5954 m3 Observed discharged = 5547.22 m3 Saving = 7.2 % Runoff Retained = 407 m3 Average capture per inlet: 4.48 kl	Phase 2 2018 (181 TREENET Inlets) Rainfall: 57,090 m3 Reference discharge: 2670 m3 Observed discharged: 2340 m3 Saving: 14 % Runoff Retained = 330 m3 Average capture per inlet: 1.8 kl
--	--

Summary of Study 2:

Application of Kerb Space inlet to reduce the flow and to provide passive irrigation to street trees

The city of Melton (Vic) established a policy to integrate passive irrigation using inlets and scaled up all new residential streets. This is a collaborative research trial undertaken by the City of Melton, Melbourne University, and designed by Alluvium Consulting. The large-scale Kerb SPACE inlets application will provide irrigation to 130,000 trees to create a green canopy for 300,000 new residents. The city Engineers and Arborists identified that the passive irrigation of street trees accomplished the integrated water management plans objectives with a SINGLE investment. For more info, attached Number 4 document and see the attached paper <https://www.stormwater.asn.au/75-conference-papers>

Summary of Study 3:

Street tree performance with passive irrigation by Kerb Space Inlets

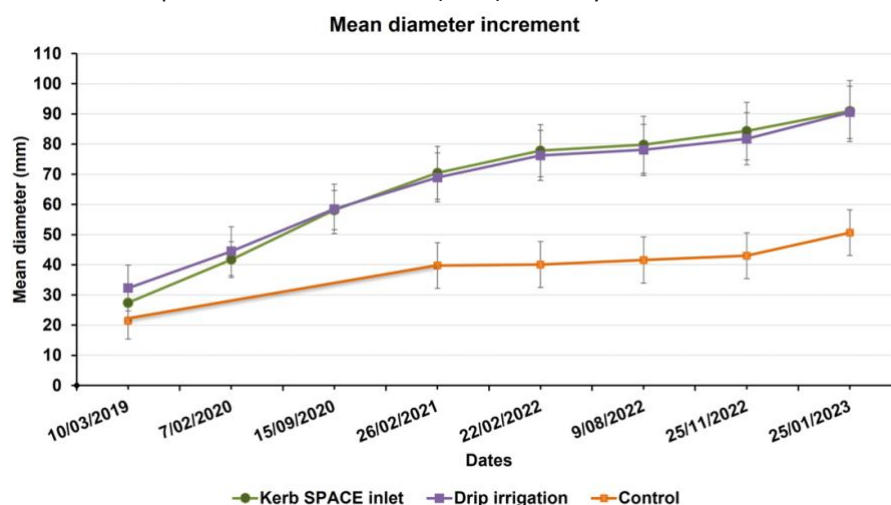
The research study conducted by Xanthia Gleeson et al. (2022) between Feb 2019 and Feb 2020 in Hawthorn, concluded that the mature trees with Kerb SPACE inlets systems transpired 17% (per day) more water per unit of the canopy area and even more (21%) during the summer season. The sapling of White cedar with Kerb SPACE inlets systems grew 60% more in diameter at breast height over 3 years when compared with the sapling without inlets (documents added in the folder) [Frontiers | Enhanced Passive Stormwater Infiltration Improves Urban Melia Azedarach Functioning in Dry Season \(frontiersin.org\)](https://www.frontiersin.org/articles/10.3389/fpls.2022.888888/full)

The article by Flinders University covers the study outcomes:

[Frontiers | Enhanced Passive Stormwater Infiltration Improves Urban Melia Azedarach Functioning in Dry Season \(frontiersin.org\)](https://www.frontiersin.org/articles/10.3389/fpls.2022.888888/full)

Similar results were noted at Aldridge Terrace, Marleston. In 2018, as a part of the kerb renewal work, in the Northern block 26, Kerb SPACE inlets (R750 single slot) were installed with the 26 Japanese zelkova trees. A total of 25 Japanese zelkovas were planted in a southern block and these were Fitted with drip irrigation. The control trees were planted at the same time and the link to the paper <https://www.stormwater.asn.au/75-conference-papers>

The trees with Kerb SPACE inlets and drip irrigation showed a 64% and 57% increase in trunk diameter compared with the control (25%) over 4 years.



Attachment 2



University of
South Australia

30 August 2023

Glynn Ricketts
Water Resources Coordinator, City of Marion
PO Box 21
Park Holme
SA 5043

Dear Glynn,

I am writing regarding your request for a review of the document titled 'Stormwater Harvesting Project: Fredrick Street catchment, City of Marion' produced by Space Down Under. You sent the file to me by email on 15 August 2023 and specifically wanted confirmation of the performance claims on page 5 of the document.

I forwarded you a response by email on 17 August, and this letter is a formal presentation of that response. In this response, I provided an attachment consisting of a journal publication which is the most relevant reference for the performance claim – the citation for this paper is as follows:

SHAHZAD, H., MYERS, B., BOLAND, J., HEWA, G. & JOHNSON, T. 2022. Stormwater runoff reduction benefits of distributed curbside infiltration devices in an urban catchment. *Water Research*, 215, 118273.

To be clear, on page 5 of this journal publication, we reported that on comparing the observed runoff of the case study catchment (with inlets) to a control model of the catchment for the same period (with no inlets) there was a 9% reduction in total catchment runoff volume and an average annual interception of 1.6 kL per year per inlet. However, it should be noted that the case study inlets were smaller than those proposed for the City of Marion catchment, where storage volumes up to 3 times larger are proposed, and with a much larger surface area over which infiltration can occur (likely resulting in faster emptying times). I also believe that the soil environment is more favourable for infiltration in the City of Marion case, when compared to the City of Mitcham case study we reported.

Some of the numbers in the performance claim from SDU, like the 14% runoff volume reduction, were actually applicable to a subset of smaller events in the journal paper. The 14% reduction figure is reported in the latter part of the journal paper results, where we split flow rates into categories to show that small events are much better intercepted by inlets, but large events overwhelm them. However, as noted, the case study kerbside inlets were smaller in volume and perhaps the larger volume is extrapolated to the City of Marion case by SDU.

I hope this clarifies any concerns

Yours faithfully,

Baden Myers, PhD BE DipEngPrac

Baden Myers
Research Fellow
UniSA STEM

GPO Box 2471
Adelaide
South Australia 5001
Australia

t: +61 8 8302 6760

e:
baden.myers@unisa.edu.au

www.unisa.edu.au

CRICOS Provider Number 00121B

Item No: 15.5

Subject: **PUBLIC LIGHTING POLICY**

Date: 12 September 2023

Written By: Manager, Engineering

General Manager: Assets and Delivery, Ms P Jackson

SUMMARY

The Public Lighting Policy has been established to inform decision making to provide after dark safe, active and vibrant neighbourhoods and open spaces making it easier to enjoy and move around our city.

The policy is supported by a Public Lighting Framework to guide a standardised process for anyone in the role of planning, design and management of Council public lighting.

RECOMMENDATION

That Council endorses the Public Lighting Policy and Framework.

STRATEGIC PLAN

Our Place 2050+

Sustainability: Become a carbon-neutral council by 2030

Sustainability: Prioritise sustainable and active transport (such as walking and cycling) across the city, including by reclaiming streets for play and nature and improving walkability to support healthy ageing

Sustainability: Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options

COUNCIL POLICY

Council Public Lighting Policy

STATUTORY PROVISIONS

Not applicable

BACKGROUND

Local Government has a function to provide and coordinate public services, which includes the provision of public lighting.

The Public Lighting Policy (the policy) has been developed to inform decision making around the installation of new public lighting, upgrades to existing public lighting and the management of public lighting with a focus on providing a safe and vibrant public realm.

The purpose of this policy is to:

- provide a consistent direction for the provision, design, installation and management of public lighting.
- provide direction to enable a fit-for-purpose public lighting network to meet the needs of people who live, work and visit the City of Holdfast Bay.
- guide the use of smart and sustainable technologies for public lighting infrastructure.
- provide a consistent approach and procedure for requests and complaints.

This policy applies to all Council-owned public lighting within the Council area.

This policy is supported by the City of Holdfast Bay Public Lighting Framework (the framework), which provides guidelines for the management of public lighting in the Council area.

REPORT

The policy aims to balance several principles to ensure appropriate lighting is installed and managed fit for the environment. Considerations include safety, sustainable management, amenity environment, health, smart technology and community consultation.

The framework provides further detail into lighting responsibility, process for installing new lighting or lighting improvements including requirements and controls for various lighting applications, customer service, monitoring, environment and smart lighting.

The responsibility for public lighting associated with leased facilities, such as sporting facilities, are excluded from the framework as operational and management responsibilities are incorporated into the lease agreements.

New lighting projects will consider balancing the International Dark-Sky Association (IDA) Principles for Responsible Outdoor Lighting within the relevant lighting standards and safety elements to be met by public lighting. We recommend a correlated colour temperature (CCT) at or around 3,000K to 4,000K in line with the framework, standards and design requirements for new lighting schemes.

The policy provides direction on the management of light spill of public lighting onto private property, including the conditions for the consideration of physical barriers such as shields and visors or an alternate luminaire type.

BUDGET

Not applicable

LIFE CYCLE COSTS

Capital and operational lighting costs will be identified in the Asset Management Planning process.

Attachment 1

Trim Container	FOL
First Issued / Approved:	12/09/23
Last Reviewed:	
Next Review:	30/09/26
Responsible Officer:	Manager Buildings and Facilities
Date Placed on Web:	XX/XX/23

1. PREAMBLE

1.1 Background

Local government has a function to provide and coordinate public services, which includes the provision of public lighting.

The Public Lighting Policy (the Policy) has been developed to inform decision making around the installation of new public lighting, upgrades to existing public lighting and the management of public lighting with a focus on providing a safe and vibrant public realm.

1.2 Purpose

The purpose of this policy is to:

- (a) Provide a consistent direction for the provision, design, installation and management of public lighting.
- (b) Provide direction to enable a fit for purpose public lighting network to meet the needs of people who live, work and visit the City of Holdfast Bay.
- (c) Guide the use of smart and sustainable technologies for public lighting infrastructure.
- (d) Provide a consistent approach and procedure for requests and complaints.

1.3 Scope

This policy applies to all Council owned public lighting within the Council Area. This policy is supported by the City of Holdfast Bay Public Lighting Framework, which provides guidelines for the management of public lighting in the Council Area.

1.4 Definitions

Public Lighting 'Public Lighting' in the context of this policy refers to lighting located in the public realm in a road reserve or on other public land including reserves and sporting facilities. In relation to this policy, public lighting relates to lighting which is the responsibility of Council, whether owned by Council, or provided by another organisation on behalf of Council, within the Council area.

COUNCIL PUBLIC LIGHTING POLICY

It does not relate to street lighting provided by the Department for Infrastructure and Planning (DIT) or privately owned lighting.

Street Lighting	Street lighting refers to lighting that is operated and maintained by SA Power Networks through a tariff arrangement. Street lighting is generally located in our residential streets, laneways and main roads.
Open Space Lighting	Open space lighting includes a variety of outdoor lighting assets including for pedestrian and shared paths, wayfinding, reserves, recreational park, and high profile public realm and surrounds (e.g. Moseley Square, coastal areas).
Building and Facility Lighting	Building and facility lighting includes external building/facility lighting and car park lighting.
Sports Lighting	Sports lighting includes lighting of fields and public spaces for professional and amateur sporting activities.
Feature Lighting	Feature lighting includes up-lighting, lighting of sculptures, public art, flag poles, and bridges.
LED Lighting	<p>'LED Lighting', refers to <i>light-emitting diode</i> (LED), which is a semiconductor device that emits visible light when an electric current passes through.</p> <p>These lights typically consume much lower energy and emit lower greenhouse gases to the environment.</p>
Shade device	Installed to reduce back or forward spill of light. Only approved if it does not compromise lighting standards.
Smart Technology	<p>'Smart Technology' refers to integrating the use of technology solutions into the management of the city's assets to enhance quality and performance of these assets.</p> <p>Smart technology can optimise energy consumption through automatic adjustment of lighting output.</p>

1.5 Strategic Reference

Sustainability: Become a carbon-neutral council by 2030.

Sustainability: Prioritise sustainable and active transport (such as walking and cycling) across the city, including by reclaiming streets for play and nature and improving walkability to support healthy ageing.

COUNCIL PUBLIC LIGHTING POLICY

Sustainability: Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options.

2. PRINCIPLES

2.1 Safety

Safety will be prioritised over amenity for public lighting. In order to minimise safety risks, public lighting will facilitate safe movement and wayfinding after dark, and in poor weather conditions, for people and vehicles on roads, footpaths, and pedestrian/cycle/ shared-use pathways.

2.2 Crime prevention

The use, disuse or level of public lighting assists with natural surveillance for crime prevention and/or discourage inappropriate or anti-social late night use of facilities.

2.3 Asset management

Sustainable whole of life asset and financial management practices to be undertaken.

2.4 Functionality and attractiveness

Public lighting to promote functionality and attractiveness of places where people gather.

2.5 Heritage and character

Public lighting to promote the heritage and character of streetscapes and neighbourhoods, and showcasing of urban features of significance.

2.6 Energy efficiency

Energy efficiency and use of renewable energy to be incorporated into all aspects of public lighting.

2.7 Health

Minimisation of harmful impacts to human health, biodiversity and natural habitats.

2.8 Smart technology

Use of smart technology and innovation opportunities where there is a benefit either now or into the future, including future proofing installations.

2.9 Consultation

Engagement will be undertaken with residents directly affected with changes to the service level of street lighting (new lighting or removal of lighting), with the exception of lighting renewal.

2.10 Lighting Spill

Council provides street and public place lighting to ensure safe movement of vehicles and pedestrians at night. Due to the proximity of private property to streets and public spaces, it is accepted that low levels of light spill will occur.

If the lighting level cannot be reduced without compromising safety, Council will consider the installation of physical barriers such as shields and visors or an alternate luminaire type under the following conditions:

- (a) The shield/visor/fitting does not compromise the lighting levels of the street, footpath or public space.
- (b) The shield/visor/fitting does not adversely affect neighbouring properties.
- (c) There is a cost contribution by the requestor for the purchase and installation of the shield/visor/fitting through a fee for service model, except for new or upgraded installations.

3. REFERENCES

3.1 Legislation

- *Local Government Act 1999*
- *Development Act 1993*
- *Work Health and Safety Act (SA) 2012*
- *Environmental Protection Act 1993*
- *Pollution Control Act 1993*
- *Electricity Act 1996 (SA)*
- *Disability Discrimination Act 1992*
- *Road and Traffic Act 1961*
- *Planning, Development and Infrastructure Act 2016*

3.2 Other References

Internal Documents:

- City of Holdfast Bay Public Lighting Framework
- City of Holdfast Bay Asset Management Plans (Transport, Buildings, Open Space)
- City of Holdfast Bay Fees and Charges 2023/24

External Documents:

- AS/NZS 1158 Lighting for roads and other public spaces
- AS 3000 Electrical Installations
- AS 4282 Light Pollution

Attachment 2

Public Lighting Framework

CITY OF HOLDFAST BAY

August 2023

Document Reference	Public Lighting Framework
Prepared by	James Mitchell, Manger Engineering
Document Custodian	Mathew Walsh, Manager Buildings and Facilities
Revision	2.6
Issue Date	30 September 2023
Next Revision Due	30 September 2027
Approved by	Pamela Jackson, General Manager Assets and Delivery

Contents

1	Introduction	3
1.1	Guiding Principles.....	3
1.2	Purpose	3
1.3	Context.....	3
2	Definition of Public Lighting.....	5
2.1	Street Lighting	5
2.2	Open Space Lighting.....	5
2.3	Building and Facility Lighting.....	6
2.4	Flood Lighting.....	6
2.5	Sports Lighting.....	6
2.6	Feature Lighting	6
3	Responsibility for Public lighting.....	6
4	New Lighting and Lighting Improvements	7
4.1.1	Standard Unmetered Lighting	8
4.1.2	Non-Standard Unmetered Lighting	8
4.1.3	Metered Lighting	8
4.2	Process	8
4.2.1	Establish the need	8
4.2.2	Site considerations	9
4.2.3	Lighting Categories	9
4.2.4	Luminaire and Pole Type	10
4.3	Checklist for new lighting	11
5	Enquiry/Complaint/Request Procedure.....	16
5.1	Requests for new lighting (existing network)	16
5.2	Requests for new lighting (no existing network)	16
5.3	Request for removal of lighting.....	16
5.4	Complaints about over lighting or light spill	16
5.5	Complaints about shading of lighting by trees.....	16
5.6	Public lighting fault report	16
5.7	Consultation	17
6	Lighting Audits	17
7	Lighting Pollution and Control	17
8	Smart lighting.....	17
9	Feature lighting.....	18
10	Energy.....	19
	Attachment 1: Checklist New or Upgrade Lighting.....	20

1 Introduction

The Public lighting Framework (the Framework) has been established to inform decision making to provide after dark safe, active and vibrant neighbourhoods and open spaces making it easier to enjoy and move around our city.

The City of Holdfast Bay (Council) is committed to operating more efficiently and sustainably in terms of energy usage and has developed this Public Lighting Framework to guide new installations, replacements, and upgrade programs of public lighting within our streets and open spaces.

1.1 Guiding Principles

The provision of public lighting in Council will support:

- Safe movement and wayfinding after dark, and in poor weather conditions, of people and vehicles on roads, footpaths, and pedestrian/cycle/shared-use pathways
- Functionality and attractiveness of places where people gather
- Use of smart technology and innovation opportunities where there is a benefit either now or into the future, including future proofing installations
- The character of streetscapes and neighbourhoods, and showcasing of urban features of significance
- Energy efficiency and use of renewable energy
- Minimisation of harmful impacts to human health, biodiversity and natural habitats
- Natural surveillance for crime prevention
- Discourage inappropriate or anti-social late night use of facilities
- Sustainable asset and financial management
- Safety will be prioritised over amenity for public lighting

Where we provide new lighting there is a desire to meet Australian Standards.

1.2 Purpose

The purpose of the Framework is to:

- Support the Council Public Lighting Policy
- Provide a consistent framework for the provision, design, installation and management of public lighting
- Provide a framework to enable a fit for purpose public lighting network to meet the needs of people who live, work and visit the Council
- Guide the use of smart and sustainable technologies for public lighting infrastructure
- Provide a consistent approach and procedure for requests and complaints

1.3 Context

This Framework will guide compliance for public lighting with all relevant Federal and State Government legislation as well as non-legislative requirements including standards, policies, codes and strategies. These include:

- AS/NZS 1158 Lighting for roads and public spaces
- AS 4100 Steel Structures
- AS 4282 Control of the Obtrusive Effects of Outdoor Lighting
- ANSI C136.41-2013 (Dimming receptacles)

- Crime Prevention Through Environmental Design Principles
- Australian Standards, Austroads and code of technical requirements guide for road, car park and path design
- AS/NZS 1158 for design methods and rules for traffic elements including intersections, pedestrian refuges and local area traffic management

The Framework will also align with Council's strategies, plans and policies:

- Our Holdfast 2050+ Strategic Plan
- Environmental Strategy 2020-2025
- The Open Space and Public Realm Strategy 2018-2030
- Disability Access and Inclusion Plan 2020-2024
- Integrated Transport Strategy 2050+ (in development)
- Play Space Action Plan 2019-2029
- Asset Management Plan: Transport Services
- Asset Management Plan: Open Space
- Asset Management Plan: Buildings and Facilities
- Long Term Financial Plan
- Council Public Lighting Policy
- Carbon Neutral Plan

The Framework will be supported by a Public Lighting Policy and is to be used by internal Council staff and any external contractors and developers with a formal role in the planning, design and management of public lighting in the Council, including:

- Asset Managers
- Engineers
- Project Managers
- Landscape architects
- Urban designers
- Lighting designers
- Maintenance staff and contractors
- Developers undertaking works that will include new or alter established lighting

All public lighting in the Council should follow this Framework.

Council staff should use these guidelines when undertaking lighting upgrades and to inform briefs for lighting design when:

- Installing new lighting in a previously unlit area
- Replacing/upgrading existing lighting in an area
- Consideration for the potential removal of existing lighting
- Installation of shade devices
- Undertaking procurement activities associated with the design, or supply and installation of any form of public lighting
- Working with community sporting clubs regarding sports lighting provision

The Framework should also be used when assessing requests or complaints from members of the community and other third parties seeking lighting changes. The Framework is to be provided to external lighting design contractors and for public lighting design and installation.

It is noted that changes in the residential dwellings through increased density, reduced setbacks, increased multi storey developments, balconies and increased glass together with increasing tree canopies and seasonal changes in tree canopies can and will affect the perception of public lighting.

Requests for public lighting changes are assessed on their merits based on this Framework.

2 Definition of Public Lighting

Public lighting in the Council is used to describe assets that provide external night-time lighting for the public realm including our streets, car parks open spaces, building and facilities and outdoor sporting facilities.

2.1 Street Lighting

Street lighting is located in our residential streets, laneways and main roads. There are a variety of pole types, each containing the same basic components. Typical street lighting infrastructure includes the following components:

- **Luminaire (lantern)** – A device that distributes, filters or transforms the light given by a light source. The luminaire includes all the items protecting the light source and connecting it to the pole, bracket or other structure.
- **Light source** – The light source (a lamp or globe in a traditional luminaire, or LED chips) emits light and is located within the luminaire (lantern). Examples of light sources include high pressure sodium (HPS), metal halide (MH) and light emitting diode (LED).
- **Photoelectric (PE) Cell** – A device normally incorporated in a luminaire that detects outside light levels to automatically switch the luminaire on and off as required. Other control devices including timers and switches can also be used.
- **Pole** – Used to elevate the luminaires, typically made of steel, aluminium, wood, concrete or a combination (stobie pole). Components of a pole include:
 - Base – the lower section of the pole that is secured to the ground
 - Bracket (outreach arm) – the supporting connection from the pole to the luminaire (this can also be used in other mounting arrangements such as wall mounted luminaires)
 - Electrical access door – provides access to internal wiring and fuses
 - Electrical and communication cables – may also be carried within the poles
- **Shade devices** – Installed to reduce back or forward spill of light. Only approved if it does not compromise lighting standards.

All new electrical reticulation should be underground for new developments.

Council will support PLEC (Power Line Environment Committee) schemes where there is significant amenity or safety improvement are achieved. These are to be assessed on their merits.

2.2 Open Space Lighting

Open space lighting includes a variety of outdoor lighting assets including:

- Pedestrian and shared path lighting
- Wayfinding lighting (e.g. bollards and in-ground path markers, solar lighting)
- Reserve lighting (where lighting improves safety of users and enables appropriate usage times periods after dark)
- Recreational park lighting (e.g. skate parks)

- Feature lighting (e.g. up-lighting, lighting of sculptures, public art, flag poles, bridges)
- High profile public realm and surrounds (e.g. Moseley Square, coastal areas)

2.3 Building and Facility Lighting

A range of Council facilities may require external public lighting including:

- Council car park lighting:
 - Standalone car parks
 - Public facility car parks
 - Reserve car parks
- External building lighting:
 - Perimeter lighting
 - External entrance lighting
 - Building façade lighting
 - External public toilet lighting
 - Security flood lighting from SAPN infrastructure
- Lighting to support CCTV

2.4 Flood Lighting

Flood lighting on Council infrastructure will only be approved where there is not glare or spill into other properties and public spaces remain safe for traffic. Energy efficient flood lighting is preferred.

2.5 Sports Lighting

Sports lighting includes lighting of fields and public spaces for professional and amateur sporting activities including tennis, Australian Rules Football, rugby, soccer, outdoor basketball, netball, and a wide range of other sporting activities.

Required lighting (lux) levels vary greatly between sporting codes with Council adhering to the relevant peak sporting body guidelines to determine lighting levels for its sporting grounds.

Funding responsibility for installation, maintenance and replacement of poles and luminaries varies depending on lease conditions of the specific club and grant funding from third parties.

2.6 Feature Lighting

Feature lighting, lighting of temporary structures (i.e. Ferris wheels and events) and lighting of artworks is not included in this Framework except where it has a predominate role of lighting public spaces for safety. Any feature lighting should consider glare/light spill and ensure that it does not reduce the effectiveness of public lighting

3 Responsibility for Public Lighting

Responsibility for the management, maintenance and capital projects related to Council's public lighting is split between different departments and external organisations.

Lighting Type	Planning	Operations and Maintenance	Asset Renewal	Capital Works Delivery	Ownership
Street Lighting – Standard	SAPN / Council	SAPN*	SAPN*	SAPN*	SAPN / Council / DIT *

Street Lighting – Non-standard	Council	SAPN	Council	Council	Council
Open Space	Council	Council	Council	Council	Council
Sporting	Council	Lessee** / Council	Council	Council	Council
Shared use path	Council	Council	Council	Council	Council
Parks / Reserves	Council	Council	Council	Council	Council
External building	Council	Lessee** / Council	Council	Council	Council
Feature lighting	Council	Council	Council	Council	Council

*tariff dependent

**maintenance, management and operational responsibilities should be incorporated into the lease agreement

TABLE 1: RESPONSIBILITY FOR PUBLIC LIGHTING

Some historical agreements may alter from table 1.

Responsibility of streetlights are available on Council GIS (updated once per year) and/or SAPN website through tariff arrangements.

Street lighting operation, maintenance and replacement is covered by various SAPN street lighting tariffs. Details of the tariff arrangements can be found in the [SA Power Networks Public Lighting Tariff Manual No. 21](#).

For new lighting, the default tariff arrangement is the PLC Tariff with LED fittings where the Council remains responsible for luminaire replacements not covered by warranty. SA Power Networks will procure and install the new luminaire, or install a new luminaire supplied by Council. Under the PLC Tariff SA Power Networks will operate, maintain, and repair the luminaire, and repair and/or replace its supporting infrastructure. Council will fund the energy costs and replacement at end of life (outside of warranty).

Underground and overhead cabling for street lighting is generally owned and managed by SAPN.

Ownership and management of underground cabling within Council land (e.g. reserves) to power Council Assets is dependent on the tariff arrangement.

4 New Lighting and Lighting Improvements

Public lighting in the Council is generally owned and managed by Council and/or SA Power Networks (SAPN). There are three different management structures for this public lighting:

- Standard Unmetered Lighting

- Non-Standard Unmetered Lighting
- Metered Lighting

4.1.1 Standard Unmetered Lighting

Most street lighting within the Council is standard unmetered lighting. Unmetered standard lighting is managed by SAPN and Council pays a tariff to SAPN to maintain the light and pole over its life. Council is responsible of the energy consumption and payment.

SAPN maintain standard unmetered lighting over the life of the warranty period on the head. Council is required to fund any replacement or maintenance outside of the warranty period.

Council is responsible for vandalism costs on the standard unmetered lighting tariff.

4.1.2 Non-Standard Unmetered Lighting

Non-standard unmetered lighting is owned by Council and managed by SAPN. The majority of these lights are on the Customer Lighting Equipment Rate (CLER) tariff where Council covers warranty management and basic maintenance of the luminaire (for example cleaning). Council is also responsible for maintenance of the supporting infrastructure (for example poles and brackets) and for purchasing replacement poles and lights.

4.1.3 Metered Lighting

Metered lighting is owned and managed by Council. Commonly sports facilities, car parks and open space reserves are connected to a meter to measure energy taken from the electricity network. These lights can have their own meter or be connected to a building, BBQ or other electrical load (which has its own meter).

4.2 Process

To ensure that public lighting is designed and installed in compliance with the Framework designers should follow this decision-making process to determine if, when, where, and how lighting should be installed:

1. Establish the need for lighting (4.2.1)
2. Determine site type and site-specific considerations (4.2.2)
3. Determine the appropriate lighting category (4.2.3)
4. Determine the appropriate luminaire and pole type (4.2.4)

4.2.1 Establish the need

The first step of the decision-making process is to establish the need for lighting.

New lighting or lighting upgrades should only be considered if one or a combination of the following apply after dark:

- There is an unlit pedestrian path that provides a legitimate shortcut or thoroughfare
- There is a 'critical link' as per the Street Hierarchy Network and existing lighting is substantially deficient
- New lighting allows for increased approved outdoor activity
- The lighting allows for passive security
- The creation of a shared use recreation/commuter path aligns with Integrated Transport Strategy priorities and State Government priorities.
- Lighting is needed for operational or maintenance activities

- Installation of changes to traffic management deceives

Reasons that new lighting may not be required include:

- Adequate lighting is already available from an alternate source such as street, public transport zone, car park, building or any other adjacent lighting (in some locations this can reduce the number of new lights installed)
- Lighting is not recommended in the area (as identified in Table 3)
- Lighting purpose is identified as not recommended by Council (e.g. daytime recreation areas)
- Negative behaviour changes due to lighting.
- Does not comply with Australian Standards (e.g. glare, inconsistent lighting)

There may be safety reasons that new lighting is not needed or recommended. Whilst this may seem contradictory, it is important to note light spaces that may be inherently dangerous with or without lighting to not encourage people into particular areas. Reasons include:

- An area does not have sufficient natural (passive) surveillance looking into the space from houses facing the space or passing vehicular and/or pedestrian traffic.
- An area/pathway leading to a dead end or otherwise unsafe area with little natural (passive) surveillance.

Other considerations. Include an assessment of whether:

- Activity or traffic will be all night or only for a portion of the night (relevant control methods can be utilised if lighting is for part of the night)
- A new metered supply will be required or solar lighting is possible
- The area/location can support the required infrastructure
- Lifecycle costs including capital, energy, maintenance and operations

The need for public lighting is to be supported by a risk assessment.

4.2.2 Site considerations

Once the need for public lighting has been established (4.2.1), the second step of the decision-making process determines the site type and any site-specific considerations such as:

- The aim of lighting in the area: for example, feature lighting, to create atmosphere, for safety or to guide preferred usage patterns
- Whether the area is a 'high risk' security area, or vandalism risk area, based on evidence
- The type of users and usage function, as well as usage patterns for the area, as this may indicate particular lighting controls that can be applied
- Changes to traffic movement or traffic control introduced within the area

Table 3 provides guidance on how the guiding principles in Section 1.1 can be applied to different lighting sites and applications.

4.2.3 Lighting Categories

A guide for selecting the appropriate lighting category for a given type of public space or road is provided in the Australian and New Zealand Standard Lighting for Roads and Public Spaces (AS/NZS 1158).

Figure 2.1 from AS/NZS 1158.3.1:2020 summarises what categories may apply to different space types (copied as Table 2 below). In most situations, the appropriate lighting category can be determined by application of the following process:

1. Define the function and how busy the road/space is via consultation with relevant Council staff
2. Match the definition of the road/space with the guidance provided by:
 - a. the Australian Standard (AS/NZS 1158 series)
 - b. guide in Table 3
 - c. lighting schemes in similar roads/spaces in other local government areas
3. Assign the most appropriate lighting subcategory to the road/space

Site/application	Required lighting category Refer to AS/NZS 1158.3.1:2020
Pedestrian and Cycling Networks	PP1/PP2/PP3/PP4/PP5
Arterial Roads	V1/V2/V3
Distributor Roads	V4/V5
Collector Roads	PR2/PR3/PR4/PR5
Bus Routes	PR3
Local streets	PR3/PR4/PR5/PR6
Civic Square	PA1/PA2/PA3
Transport Interchange	PA1/PA2/PA3
Car Park	PC1/PC2/PC3
Sports lighting	Refer to relevant peak sporting body guidelines and/or Australian Standards for relevant sports.

TABLE 2: EXTRACT OF FIGURE 2.1 AS/NZS 1158.3.1:2020

4.2.4 Luminaire and Pole Type

Once the need for lighting as well as any site-specific requirements and the lighting category have been established in accordance with Sections 4.2.1-4.2.3, the fourth step of the decision-making process is to determine the luminaire and pole type.

The key principles to observe when selecting the luminaire and pole type:

- Specific requirements or standards - Unmetered, Metered, Sports
- Luminaires and poles should be Australian made or readily available in stock.
- Use dark coloured poles where possible
- Fit for purpose (e.g. marine grade within 1km of the coast)
- Slip base poles for high traffic areas
- Standardise where possible within surrounding area
- City of Holdfast Bay Public Realm Style Guide
- Consideration to whole of life costs including operations and maintenance. Must be easily maintained by Council

4.3 Checklist for new lighting

Council will support lighting installations that meet these guidelines. New lighting installations need to be approved by the Buildings and Facilities Manager. When proposing a new public lighting scheme, please submit the relevant checklists as specified in Attachment 1.

Table 3 provides guidance on how the guiding principles in Section 1.1 can be applied to different lighting sites and applications.

Site / Application	Requirements	Controls
Reserves (Metropolitan / Regional)	<ul style="list-style-type: none"> Light only paths and thoroughfares through parks that form part of the pedestrian network (i.e. not recreation areas). Avoid lighting dead-ended paths, unless the path provides access to a facility within the park that is used during night-time hours. Lighting should only be considered for large parks under the following circumstances: <ul style="list-style-type: none"> if there is a thoroughfare for pedestrians/cyclists if it promotes approved night-time physical activity (e.g. a running track/skate/BMX) a public benefit or demand exists sufficient safety and passive surveillance will be achieved 	<p>Can use dimming, sensors or timers to turn lights off or down when usage levels drop off or no longer exist, or where activity is no longer desired after certain hours.</p> <p>Dim: between 11pm and 5am Brighten: 5am</p>
Reserves (Local, Neighbourhood)	<ul style="list-style-type: none"> In general, lighting should not be considered for neighbourhood and local reserves. Lighting should only be considered if there is a thoroughfare for pedestrians and/or cyclists as part of a pedestrian network where no convenient road route is available. 	<p>If lighting is installed, consider dimming, sensors and timers to turn lights off or down when usage levels drop off or no longer exist, or where activity is no longer desired after certain hours.</p>
Natural landscaping	<ul style="list-style-type: none"> In general, lighting should not be considered for natural landscaping as it may disrupt local flora and fauna and/or ecosystems Lighting should only be considered if there is a 'critical link' as per Council's Road Network Hierarchy Restrict the light to only the object or area intended, keep lights close to the ground, directed and shielded to avoid light spill. Where lighting is installed, consider (in order of preference): <ol style="list-style-type: none"> Lights with site-specific optics (to minimise light spill) and dimming or switching after hours of use Use of a lower correlated colour temperature (CCT) with lower impact on local fauna; use lowest intensity lighting appropriate for the task Use lights with reduced or filtered blue, violet and UV wavelengths. 	<p>If lighting is installed, consider using light sensors for dimming/brightening with sunset/sunrise to ensure minimal impact on the natural rhythms of the flora and fauna in the area.</p>

Recreation areas	<ul style="list-style-type: none"> For skate parks lighting should be considered on an as needs basis For BBQs, gazebos etc. lighting should be considered on an as needs basis For community courts (basketball, tennis), lighting should be considered in the context of the residential setting, demand and adjacent land uses (e.g. part of sporting hub or recreation hub) 	If lighting is installed, timers must be used, with lighting to be switched off no later than 10 pm and dimmed over a short shoulder period (e.g. 15 min) to allow safe departure from the area.
Train/Tram stations	<ul style="list-style-type: none"> Defined areas or routes around or leading to train stations may be lit to a higher level than the surrounding area. Refer to AS/NZS 1158.3.1:2020 (Transport Interchanges) Table 2. 	Lights may be installed with motion sensors, timers and/or dimmers linked to operating hours of public transport.
Bus stops	<ul style="list-style-type: none"> Currently no lighting is installed or supplied for bus stops other than the light provided by existing street lighting. Solar lighting may be considered for specific bus stops Interchange and layover area lighting can be considered on a case by case basis. 	
Shared paths (off-road)	<p>The provision of lighting should be based on the classification of the path:</p> <ul style="list-style-type: none"> A commuter path (e.g. the Mike Turtur Bikeway, Sturt River Linear Path) – lighting required A recreational path (e.g. Coast Path) – lighting is generally not required 	<p>Lights may be installed with timer controls, sensors and/or dimmers.</p> <p>Dim: between 11pm and 5am</p> <p>Brighten: 5am</p>
Shared path (underpass)	<ul style="list-style-type: none"> Underpasses should be lit to ensure personal safety for the community. 	<p>Lights may be installed with timer controls, sensors and/or dimmers.</p> <p>Dim: outside of public transport hours</p> <p>Brighten: within public transport hours</p>
External building lighting	<p>External building lighting may be considered if night time access to the building is required or if the building is adjacent to and/or within:</p> <ul style="list-style-type: none"> A Council car park (e.g. lighting on the building provides light for the car park) A Council reserve (e.g. lighting on the buildings and public toilets provides light for the reserve) A Council footpath or shared path, including a path to a Council building (e.g. lighting on the building provides light for the path that leads to the building entry or lighting on the building provides light for shared path that runs adjacent to the building) A Council public art project 	<p>Timed lighting to be used for lighting associated with usage hours of a building.</p> <p>Controls to be applied depending on the nature of the adjacent public space (e.g. car park). Refer to relevant section of this table for controls to be applied.</p>

	<p>For the above scenarios, the following arrangements would occur:</p> <ul style="list-style-type: none"> Any existing lighting on a building shall be included as part of any existing lighting condition assessment (i.e. the external building lighting is contributing to the public lighting) The external building walls may be used to support lighting as part of a new lighting design/scheme for a metered lighting supply <p>External lighting energy arrangements for leased Council buildings, surrounds and car park should be incorporated into the lease agreement.</p>	
Car park (standalone)	<ul style="list-style-type: none"> Consideration should be given to lighting any pedestrian linkages to the facility that the car park services 	<p>Lights may be installed with:</p> <ul style="list-style-type: none"> timers set to the hours of operation of the associated site/ building, or dimmers set to the usage levels of the car park over the course of the night
Laneway (pedestrian)	<ul style="list-style-type: none"> Lighting may be installed where the laneway provides a logical shortcut for pedestrians or if it is a key thoroughfare for pedestrians and/or cyclists. Lighting should be avoided wherever there is poor passive surveillance. Where lighting is installed, the design process should consider the need for light spill control (i.e. the use of glare shields/baffles) and/or site-specific optics. Consideration should be given to space constraints such as the ability to install and protect infrastructure whilst maintaining a trafficable laneway, the ability to supply power to this infrastructure, operational and maintenance issues due to the infrastructure being located in the laneway and excessive light spill within the rear of properties that are adjacent to the laneway. If a suitable alternative pedestrian path exists that requires minimal additional travel time and distance, then pedestrians should be encouraged to walk on the existing footpath network where there is sufficient existing street lighting available. 	<p>For metered connection points, dimming/ switching is encouraged where usage patterns allow, or where activity is not desired after certain hours.</p> <p>Dim: between 11pm and 5am</p> <p>Brighten: 5am</p>
Feature lighting	<ul style="list-style-type: none"> Lighting may be installed with timers based on a needs assessment. In key locations the installation of a lit artwork (contributing modest illumination to the public space) may be considered as a means of addressing public perceptions of safety in places where there is no other justification for lighting. 	<p>Timers are to be installed linked to operation hours of the associated site or building.</p> <p>Lighting of flag poles featuring the Australian flag (flown at night) are to be installed with</p>

	<ul style="list-style-type: none"> Lighting under newly installed private encroachments (verandas) over public footpaths to be responsibility of property owner. 	day light-linked control, turning off at midnight except on April 24th – Anzac Day Eve.
High risk areas (e.g. Moseley Square)	<ul style="list-style-type: none"> Lighting should be provided all night in these locations at an appropriate standard. Lighting may be installed with timers and/or dimmers linked to operating hours 	Lights are to be installed in these locations. Where risk is specific to hours of operation of a specific site or building, timers are to be installed and linked to the hours of operation of the relevant site.
High vandalism areas	<p>The following lighting techniques may be trialled:</p> <ul style="list-style-type: none"> Turning lighting off to deter vandalism or unsociable behaviour Using motion sensors CCTV cameras Increase lighting in accordance with the Crime Prevention through Environmental Design Guidelines 	
New streetscape lighting	<p>Street lighting, trees and other elements of a streetscape should be designed at the same time. The design process should consider the following principles:</p> <ul style="list-style-type: none"> The locations of street trees and light poles should be coordinated to minimise shading (shadowing). Where street trees and poles are co-located, luminaires should be located below the canopy (if possible). Where necessary, lighting may be placed nearer the centre of streets, out of reach of foliage. Supplementary lighting may be considered where street trees or verandas would otherwise produce shadowing. Appropriate standards applied for any changes to traffic movement or traffic control introduced within the area 	Relevant controls to minimise environmental impact whilst balancing the need for safety and utilisation or urban spaces needs to be integrated into the design process.
Sports lighting	<ul style="list-style-type: none"> Typically manually operated, however curfew timers should be considered to prevent lights being left on inadvertently. This is managed through the Development Application process. 	Controls to be installed linked to operation hours of the associated site or building.

TABLE 3: GUIDING PRINCIPLES

5 Enquiry/Complaint/Request Procedure

The following procedures will be applied to the assessment of complaints and/or requests received by Council in relation to public lighting.

5.1 Requests for new lighting (existing network)

Follow section 4 to determine if the lighting is required, including the checklist.

5.2 Requests for new lighting (no existing network)

Follow section 4 to determine if the lighting is required, including the checklist.

5.3 Request for removal of lighting

Investigate and assess the requirements for the lighting including the need, site specific conditions, appropriate lighting category and appropriate luminaire and pole type.

5.4 Complaints about over lighting or light spill

Council provides street and public place lighting to ensure safe movement of vehicles and pedestrians at night. Due to the proximity of private property to streets and public spaces, it is accepted that low levels of light spill will occur.

If the lighting level cannot be reduced without compromising safety, Council will consider the installation of physical barriers such shields and visors or alternate luminaire type (aeroscreen) under the following conditions:

- The shield/visor/fitting does not compromise the lighting levels of the street, footpath or public space
- The shield/visor/fitting does not adversely affect neighbouring properties
- The cost contribution by the requestor for the purchase and installation of the shield/visor/fitting through a fee for service model, except for new or upgraded installations

Lighting standards acknowledge reasonable setbacks with regard to light spill.

The full cost of installing a shield will include the lighting assessment and selection of appropriate shield, purchase of the shield and installation. This is at the requestors cost.

5.5 Complaints about shading of lighting by trees

Through the Council's efforts to increase canopy cover there will be natural clashes with the canopy and public lighting. Following a request for trimming an initial investigation will be undertaken and the request will be forwarded on the arboriculture team to assess the extent of tree trimming that can be done while maintaining tree health and carry out the works.

5.6 Public lighting fault report

Faults for all unmetered lighting are to be directed to SAPN in the first instance.

Faults for all metered lighting to be directed to Council administration to investigate and facilitate fault repairs.

5.7 Consultation

When significantly altering public lighting (new installations, pole relocations, luminaire upgrades), consultation must be undertaken with adjacent and affected properties. Feedback is to be considered as part of the lighting design as well as the guiding principles for lighting.

6 Lighting Audits

Council will undertake lighting audits for Council owned lighting infrastructure every 4 years as a minimum.

7 Lighting Pollution and Control

Light pollution is the inappropriate or excessive use of artificial light, which can have harmful effects on humans, wildlife and the climate. Components of light pollution include:

- Glare: excessive brightness that causes visual discomfort
- Skyglow: brightening of the night sky over inhabited areas
- Light trespass: light falling where it is not intended or needed
- Clutter: bright, confusing and excessive groups of light sources

Council recommend that light sources on new metered and unmetered lighting schemes to have a correlated colour temperature (CCT) at or around 3000K to 4000K in line with this Framework, standards and design requirements.

Lighting projects are to consider balancing the International Dark-Sky Association (IDA) Principles for Responsible Outdoor Lighting within the relevant lighting standards and safety elements to be met by public lighting. The IDA principals include:

- Useful: All lighting should have a clear purpose
- Targeted: Lighting should be directed to where needed
- Low light levels: Lighting should not be brighter than necessary
- Controlled: Lighting should be only used when useful
- Colour: Use warmer colours where possible

8 Smart lighting

Technology in public lighting enables increased efficiency in usage and maintenance and reduces carbon emissions. Public lighting can also be used as foundation infrastructure for other smart city applications in areas of public safety, traffic management, parking and energy efficiency.

Smart Lighting infrastructure can be used to collect data via devices and sensors and relay it to a central data management platform to analyse for business improvements.

Lighting assets are an ideal component within a smart city due to their:

- Physical attributes – high pole facilitates clear communication

- Location and numbers – common throughout the city facilitates high levels of data capture.
- Power source – electricity connection for smart network devices.

A smart light can also be used as a relay for other information (in a smart grid network) to increase the size and effectiveness of how network operates. Alternatively, street lighting communications devices can be part of a standalone street lighting control network, without reference to other smart networks within a city.

Smart city technologies examples that can be installed as part of a smart lighting infrastructure include:

- CCTV
- Connectivity e.g. Wi-Fi
- Temperature
- Pedestrian and traffic counts

Smart lighting can and should be considered in new projects that incorporate lighting as part of an integrated design solution. Future proofing should be considered.

9 Feature lighting

Feature lighting is typically metered and is not considered for the purpose of maintaining lighting levels in an area.

Public feature lighting (proposed by Council) may be considered where the installation:

- Contributes to place making
- Aligned to our biodiversity objectives
- Assists with reducing vandalism and/or increasing public safety
- Part of an art installation

All controls and software for feature lighting should be readily accessible for Council staff to make alterations.

Bollard lighting used to increase amenity of a public area does not align to a public standard for safety, installation should consider guiding principles (section 1.1).

Private feature lighting (proposed by a private entity) may be considered where the installation:

- Is not to be installed on public assets where asset maintenance is affected. However, temporary lighting may be permitted on public assets through a permit process on a case-by-case basis
- Complimentary to existing functional lighting
- Contributes to place making/activation
- Is to be installed, operated and maintained by the person/body making the request
- Does not require the installation of any permanent supporting infrastructure

10 Energy

The Environmental Strategy 2020-2025 has set Council a target to be carbon neutral by 2030, the Carbon Neutral Plan articulates how we will take action to achieve this target.

Attachment 1: Checklist New or Upgrade Lighting

To ensure that public lighting is designed and installed in compliance with the Framework designers should follow this decision-making process to determine if, when, where, and how lighting should be installed:

1. Establish the need for lighting
2. Determine site type and site-specific considerations
3. Determine the appropriate lighting category
4. Determine the appropriate luminaire and pole type

1. Establish the need

New lighting or lighting upgrades should only be considered if one or a combination of the following apply after dark. Check one or more boxes:

- ☐ There is an unlit pedestrian path that provides a legitimate shortcut or thoroughfare
- ☐ There is a 'critical link' as per the Street Hierarchy Network
- ☐ New lighting allows for increased outdoor activity
- ☐ The lighting allows for passive security
- ☐ The creation of a shared use path aligns with ITS priorities and State Government priorities
- ☐ Lighting is needed for operational or maintenance activities
- ☐ Installation or changes to traffic management deceives

2. Site considerations

Site/Application (see table 3) for requirements and controls:

- ☐ Reserves (Metropolitan/Regional)
- ☐ Reserves (Local/Neighbourhood)
- ☐ Natural landscaping
- ☐ Recreation areas
- ☐ Train/Tram stations
- ☐ Bus stops
- ☐ Shared path (off-road)
- ☐ Shared path (underpass)
- ☐ External building lighting
- ☐ Car park (standalone)
- ☐ Laneway (pedestrian)
- ☐ Feature lighting
- ☐ Streetscape lighting
- ☐ Sports lighting
- ☐ Changes to traffic movement or traffic control introduced within the area
- ☐ Site type and any site-specific considerations.

The aim of lighting in the area:

- ☐ Safety
- ☐ Guide preferred usage patterns
- ☐ Feature lighting to create atmosphere

Security:

- ☐ Is the area a 'high risk' security area, or vandalism risk area, based on evidence

3. Lighting Categories

A guide for selecting the appropriate lighting category for a given type of public space or road is provided in the Australian and New Zealand Standard Lighting for Roads and Public Spaces (AS/NZS 1158). Figure 2.1 from AS/NZS 1158.3.1:2020 summarises what categories may apply to different space types (copied as Table below).

In most situations, the appropriate lighting category can be determined by application of the following process:

1. Define the function and how busy the road/space is via consultation with relevant Council staff
2. Match the definition of the road/space with the guidance provided by:
 - a. the Australian Standard (AS/NZS 1158 series)
 - b. guide in Table 3
 - c. lighting schemes in similar roads/spaces in other local government areas
3. Assign the most appropriate lighting subcategory to the road/space

Site/application	Required lighting categories Refer to AS/NZS 1158.3.1:2020
Pedestrian and Cycling Networks	PP1/PP2/PP3/PP4/PP5
Arterial Roads	V1/V2/V3
Distributor Roads	V4/V5
Collector Roads	PR2/PR3/PR4/PR5
Bus Routes	PR3
Local streets	PR3/PR4/PR5/PR6
Civic Square	PA1/PA2/PA3
Transport Interchange	PA1/PA2/PA3
Car Park	PC1/PC2/PC3
Sports lighting	Refer to relevant peak sporting body guidelines and/or Australian Standards for relevant sports.

TABLE: EXTRACT OF FIGURE 2.1 AS/NZS 1158.3.1:2020

4. Luminaire and Pole Type

The key principles to observe when selecting the luminaire and pole type:

- Specific requirements or standards - Unmetered, Metered, Sports
- Luminaires and poles should be Australian made or readily available in stock.
- Use dark coloured poles where possible
- Fit for purpose (e.g. marine grade within 1km of the coast)
- Slip base poles for high traffic areas
- Standardise where possible within surrounding area
- City of Holdfast Bay Public Realm Style Guide
- Strong consideration to whole of life costs including operations and maintenance. Must be easily maintained by Council

Item No: 15.6

Subject: **INDEPENDENT COMMISSION AGAINST CORRUPTION DISCUSSION PAPER: LOBBYING AND INFLUENCE**

Date: 12 September 2023

Written By: Manager, Strategy and Governance

General Manager: Strategy and Corporate, Ms S Wachtel

SUMMARY

The Independent Commission Against Corruption (ICAC) has released a discussion paper for comment regarding potential corruption risks that accompany lobbying and influencing activities directed towards public officers.

The Commission has invited any interested party to provide comments by Friday 15 September 2023 in relation to the regulation of lobbying and influencing practices. The discussion paper is provided in Attachment 1.

The discussion paper raises several issues relevant to Council, including the question of whether local governments should be subject to any regulatory schemes relating to lobbying and influence. A suggested reply has been provided as Attachment 1.

RECOMMENDATION

That Council:

1. **notes the issues raised in the discussion paper released for comment by ICAC regarding Lobbying and Influence (Attachment 2); and**
 2. **endorses the proposed response (Attachment 1), subject to minor typographical amendments if needed, and authorises the Chief Executive Officer to send it to ICAC by 15 September 2023.**
-

STRATEGIC PLAN

Our Holdfast 2050+ includes objectives to increase community engagement and is underpinned by themes of collaborating with Council. Engagement and collaboration can only be meaningfully achieved if there is trust. As a number of studies have shown, trust in governments is at an all-time low, which means government bodies must consciously and conscientiously work to rebuild trust. Open and transparent decision-making is a key way by which trust can be built.

COUNCIL POLICY

Codes of Conduct

STATUTORY PROVISIONS

Local Government Act 1999

Lobbyists Act 2015

BACKGROUND

The Independent Commission Against Corruption (ICAC) has released a discussion paper for comment regarding potential corruption risks that accompany lobbying and influencing activities directed towards public officers.

The Commission has invited any interested party to provide comments by Friday 15 September 2023 in relation to the regulation of lobbying and influencing practices. The discussion paper is provided for members information.

Refer Attachment 2

REPORT

The Discussion Paper examines the role of lobbying in government decision-making and its potential risks. The paper acknowledges that lobbying can offer valuable insights to policymakers, but highlights concerns about transparency, ethics, and undue influence. It draws attention to cases where lobbying has resulted in corruption, emphasising the importance of addressing these risks.

Key points from the discussion paper include:

1. **Positive Role of Lobbying:** The paper acknowledges that lobbying has a positive role in informing government policies and priorities, contributing to an inclusive policy-making process.
2. **Transparency and Ethics:** The paper emphasises that the effectiveness of lobbying's positive influence depends on transparency, inclusivity, and ethical conduct. When lobbying is done in an opaque manner or influenced by bias, self-interest, or dishonesty, the public interest is compromised.
3. **Corruption Risks:** The paper cites examples of corruption resulting from lobbying, such as cases involving former public officials in New South Wales. These cases illustrate the potential for self-interest and opacity in decision-making structures to facilitate corruption.
4. **Regulation of Lobbying:** The paper discusses the varying degrees of regulation of lobbying across Australian jurisdictions. It mentions integrity agencies' efforts to examine regulatory schemes around lobbying and corruption risks. The focus on regulating the conduct of lobbyists, as well as the lobbied party (public officials), is discussed.

5. **Defining Lobbying:** The paper questions the definition of "lobbying" and "lobbyist," suggesting that definitions can vary across jurisdictions. It raises the issue of whether "in-house lobbyists" should be regulated differently from "third-party" lobbyists.
6. **Regulating the Lobbied Party:** The paper considers the regulation of public officials and government decision-makers who are subject to lobbying. It explores the idea of requiring lobbied parties to maintain records of interactions and decision-making processes.
7. **Revolving Door of Lobbying:** The concept of the "revolving door" of lobbying is discussed, highlighting the movement of former public officials into lobbying roles. The paper raises concerns about potential conflicts of interest and the need for restrictions on post-separation employment.
8. **Local Government and Harmonisation:** The paper examines lobbying's influence on local government decision-making and discusses the benefits and challenges of harmonising lobbying regulations across jurisdictions.

In 2018, the Grattan Institute published a report regarding access and influence in Australian Politics. This report is provided for information as Attachment 2. This report referenced a number of studies which showed widespread distrust of governments, particularly in relation to decision-making being influenced by special interests.

Refer Attachment 3

These findings have been supported by many years of results published by the Edelman Trust Barometer, which has found that, over the last 23 years, trust in government and other institutions has been declining. The 2023 report, which is provided as Attachment 3, found that business is currently the only institution seen as competent and ethical. Despite an increase in trust in government in 2020 and 2021 during the pandemic (page 40, 2020 Edelman Trust Barometer <https://www.edelman.com/trust/2020-trust-barometer>, page 44, Edelman Trust Barometer 2021 <https://www.edelman.com/trust/2021-trust-barometer>), it declined in 2022 (page 42, Edelman Trust Barometer 2022 <https://www.edelman.com/trust/2022-trust-barometer>), and returned to pre-pandemic levels in 2023 (refer page 43 of Attachment 3).

Refer Attachment 4

Two other points are notable from Edelman's data on trust, namely:

1. Local Government is more trusted than Federal Government, and
2. 41% of respondents believe that the best societal outcomes are achieved when government and business work together.

The 2020 Edelman Trust Barometer (page 41, <https://www.edelman.com/trust/2020-trust-barometer>) found that in Australia, 46% of respondents trust Federal government, while 51% trust local/state government.

The 2023 Edelman Trust Barometer shows that trust in business is high and that a substantial proportion of respondents believe that the best societal outcomes are achieved

when government and business work together (refer page 33 of Attachment 3). It is important that this opportunity to rebuild trust and achieve outcomes is not undermined by lobbying and influence that is perceived as unjust, inappropriate or unequal.

A draft response to the Commission is provided for Council's consideration.

Refer Attachment 1

BUDGET

There are no budget implications directly associated with this report.

LIFE CYCLE COSTS

Any future costs will be dependent on the regulatory regime developed. The response prepared for Council's consideration notes that the most efficient and effective processes should be adopted, to minimise cost burdens.

Attachment 1

13 September 2023

Independent Commission Against Corruption
GPO Box 11066
ADELAIDE SA 5001

Via email - prevention@icac.sa.gov.au

Dear Commissioner

Lobbying and Influence – Response to Discussion Paper

At its meeting on Tuesday, 12 September 2023, Council considered the *Discussion Paper: Lobbying and Influence*, to which you have invited responses. Council requested that I provide you with this response on their behalf.

Council notes that while lobbying can be a useful way to bring governments' attention to issues, it also creates risks of undue influence, unfair competition and inequity of access, erosion of trust and regulatory and policy capture to the detriment of public good.

Council is committed to transparency and integrity, not just because it is legislatively required of us, but because we value and honour the trust our community places in us as decision-makers and stewards of our city's future.

As you would be aware, local governments are required to make decisions openly. Unlike State and Commonwealth Cabinets, Council meetings are open to the public and items can only be made confidential by exception, on a narrow range of grounds. Local government's requirements to be 'public by default' provides a level of transparency which other tiers of governments should consider emulating.

As a principle, Council supports the harmonisation of regulatory schemes, with the best elements of each tier or jurisdiction being taken up. For example, on the face of it, it would appear that the requirements in Queensland and New South Wales for diaries to be published, rather than the current system in South Australia which requires a separate register to be developed, maintained and published would be more efficient.

On the proviso that the most efficient and effective processes would be established by an amended regulatory scheme, Council supports local government being subject to it. The outcomes of increased trust through better and more transparent decision-making should not be over-shadowed by overly bureaucratic cost burdens.

As reported in a number of global and national surveys, trust in governments is at an all-time low, which damages both social fabrics and democracy more generally. While local governments tend to fare slightly better on trust scales, it is nonetheless incumbent on all tiers of government to proactively build and maintain the trust of citizens and communities.

Council encourages the Commission to vigorously seek a strengthening of regulations relating to lobbying and influence, as indicated in the Discussion Paper, including more extensive application of the scheme, greater disclosures, improved equity of access, a code of conduct for lobbyists, stricter regulation of employment exchanges and, on the whole, more transparent decision-making.

Council sees the problem that needs to be solved as having three parts:

1. to ensure that all government decision-making is free from corruption, inequity and capture
2. to ensure that all decisions are in the public (not private) interest
3. to rebuild, and thereafter maintain, trust in governments and public institutions.

As Hugh Mackay boldly suggests in *Australia Reimagined*, our governing institutions need to win back the trust of citizens and would be wise to do so by 'restraining their lust for wealth or power in favour of a more sensitive engagement with the society that gives them their social license to operate'.

Yours faithfully

Roberto Bria
CHIEF EXECUTIVE OFFICER

Attachment 2



Independent Commission
Against Corruption
SOUTH AUSTRALIA

Discussion Paper Lobbying and Influence

July 2023

MAKE A SUBMISSION BEFORE FRIDAY 15 SEPTEMBER 2023:

POST:

GPO Box 11066
Adelaide SA 5001

EMAIL:

prevention@icac.sa.gov.au



Discussion Paper
Lobbying and Influence

Published July 2023

Level 9, 55 Currie Street
Adelaide SA 5000
(08) 8463 5191
GPO Box 11066
Adelaide SA 5001
icac.sa.gov.au

Lobbying: A risky necessity

The lobbying of Government officials can play a positive role in informing Government policies and priorities, and an important role in a democratic society.

Lobbyists, as well as advocates and all those influencing governments, represent valid interests and bring to policy makers' attention much needed insights and data on all policy issues. Such an inclusive policy-making process provides opportunities for more informed and ultimately better policies.¹

However, the extent to which lobbying exerts a positive influence on policy making and Government decision making will be impacted by the extent to which it is inclusive, transparent and ethical. Where access to decision makers is granted only to a privileged few, where it is not possible to confidently ascertain what factors have influenced Government decision making, and where there may be reason to doubt the accuracy of representations made to Government, the risks of undue influence and decision making tainted by bias, self interest, dishonesty or other matters inconsistent with the public interest, are increased.

In February 2023 the Commission published its report, *Yes Minister – Corruption Risks Associated with Unsolicited Proposals*². The corruption risks associated with lobbying can be considered similar to the matters raised in that report.

The risks associated with lobbying are not merely theoretical. In the worst cases, conduct amounting to criminal offences such as bribery of a public officer or abuse of public office, may occur. Such risks have been realised in other jurisdictions.

Perhaps the most notorious examples are those involving former NSW MLC and Minister, Eddie Obeid.

In 2016 Mr Obeid was convicted of misconduct in public office after he lobbied a public official to influence the outcome of a leasing process for commercial tenancies in Circular Quay. He did so under the guise of acting for constituents, but in reality, he and his family stood to benefit directly.

In 2021 Mr Obeid and his son, Moses Obeid, were convicted of conspiracy to commit wilful misconduct in public office for their part in a plan to have (then) NSW Resources Minister, Ian Macdonald, grant a coal exploration license over a farm owned by the Obeid family in Bylong Valley, resulting in a \$30 million gain to the Obeid family.

These cases illustrate clearly the potential for influencing activity to facilitate corruption where individuals act out of self interest, and where the structures sitting around decision makers – the targets of influencing activity – are opaque and lack rigour.

1 OECD, *Recommendation of the Council on Principles for Transparency and Integrity in Lobbying*, OECD/LEGAL/0379.

2 The report can be found at <https://www.icac.sa.gov.au/publications/published-reports/yes-minister>.

Re-thinking regulation

The nature of regulation of lobbying and lobbyists in Australian jurisdictions ranges from statutory schemes which impose criminal sanctions, to administrative schemes with more limited consequences in the event of a breach. The lobbying specific regulatory schemes operate within a broader context of regulating the conduct of Ministers, Members of Parliament and public service employees within each jurisdiction (for example, by codes of conduct) and legislative and administrative schemes relating to public access to documents (for example, through Freedom of Information legislation).

An overview of the regulatory framework in South Australia can be found at **Appendix A**.

In recent times, integrity agencies in a number of Australian jurisdictions have examined the regulatory schemes surrounding lobbying and the corruption risks of improper influence on public administration:

- ▶ the NSW Independent Commission Against Corruption conducted *Operation Eclipse* and released a report in June 2021, *Investigation into the Regulation of Lobbying, Access and Influence in NSW*;
- ▶ the Independent Broad-based Anti-corruption Commission in Victoria released its *Special Report on Corruption Risks Associated with Donations and Lobbying* in October 2022;
- ▶ the Crime and Corruption Commission of Queensland released a report, *Influence and Transparency in Queensland's Public Sector*, in January 2023; and
- ▶ the Integrity Commission of Tasmania released its framework report *Model for reform of lobbying oversight in Tasmania* in June 2023.

How does South Australia compare?

The reports referred to raise a number of broad issues which are pertinent to consider in the South Australian context. The Commission is calling for submissions relating to lobbying regulation in South Australia to inform whether – and what – further work should be undertaken in this space.

Your submission may address the issues and questions detailed below, or any other aspect of lobbying, which you consider important.

Issues for consideration

THE DEFINITION OF ‘LOBBYING’ AND ‘LOBBYIST’

The definition of ‘lobbying’ and/or ‘lobbyist’ is not uniform across Australian jurisdictions. Common to all jurisdictions, however, is the fact that ‘in-house lobbyists’ (that is, persons employed within an organisation to conduct government liaison-type activities) are not captured by current regulations; but is there anything inherent in ‘third-party’ lobbying which elevates the risks of corruption as compared with ‘in-house’ lobbying, such that this distinction is justified?

The question of who should be included in lobbying regulation – and, more specifically, whether ‘in-house lobbyists’ should be regulated – was considered by each integrity agency. The universal answer to this question was that the current definitions (regardless of jurisdiction) are too narrow to capture much of the influencing activity currently occurring. While compliance with lobbying regulation was reportedly high, a significant proportion of influencing conduct fell outside the regulatory schemes.

A further question to ask in this context is whether a legitimate distinction can be drawn between corporate ‘in-house lobbyists’ (for example, persons employed by large mining, finance or manufacturing organisations) and those who are employed by charitable organisations, or other not-for-profit organisations (for example, trade unions, religious groups, professional and industry organisations and other interest groups).

Prompt questions:

- ▶ Should the definition of ‘lobbying’ be expanded? If so, how? What kinds of activities should be captured by ‘lobbying’?
- ▶ Should there be exceptions to lobbying regulation (e.g. for charitable or not-for-profit organisations, or organisations below a certain size) or, conversely, should some industries be more closely regulated (e.g. those industries where ‘regulatory capture’ of government agencies and decision making is a risk)?
- ▶ Should lawyers and accountants who directly offer government relations services be included in the definition of lobbying?
- ▶ Should lobbying disclosure requirements be heightened in the lead up to elections?

THE REGULATION OF THE 'LOBBIED' PARTY

Most regulatory schemes focus on the conduct of the lobbyist, with only secondary attention directed towards the lobbied party. However, lobbying is clearly a 'two way street', and the question arises whether the public officials to whom representations are made should also be subject to regulation. This may include not only Ministers and other government decision makers, but also those in positions to influence those decision makers, such as ministerial advisors. Regulation may be statutory, or may be in the form of, for example, a specific code of conduct relating to lobbying.

A particular area of focus to emerge from the reports from other jurisdictions relates to record keeping by lobbied parties and the capacity for the public to interrogate those records, either through ongoing publication requirements, or by utilising schemes already in place to allow for public access to government records. The quality of records produced, in terms of the degree to which they make plain the content and purpose of lobbying activity and the rationale or justification for decision making, is critical to the usefulness or otherwise of access schemes.

Prompt questions:

- ▶ Should the conduct of lobbied parties be more closely regulated? For example, should there be lobbying disclosure requirements for ministerial staff or high level public servants?
- ▶ Would the publishing of cabinet materials, ministerial diaries and other records of government decision making provide safeguards against the risks associated with lobbying?
- ▶ Should lobbied parties also be obliged to register lobbying interactions to allow for cross-referencing, such as is conducted by the Queensland Crime and Corruption Commission?
- ▶ Should government departments implement policies which prohibit undocumented or secret meetings?
- ▶ Should all activity directed towards influencing legislation (e.g. making, amending or retaining legislation) be publicly disclosed?

THE 'REVOLVING DOOR' OF LOBBYING

The concept of the 'revolving door' of lobbying relates to the high incidence of former public officials (Ministers, Members of Parliament, Ministerial advisers, high-ranking public servants) who move from their public role into lobbying, either directly or after a short interval.

This brings with it risks to the integrity both of lobbying and government decision making; for example, lobbyists who are former public officials may leverage relationships built or knowledge acquired whilst in public office to gain an unfair advantage for their clients, and public officials may give preference to particular interest groups with a view to gaining lucrative employment after public service.

South Australia already imposes restrictions on some public officials in this regard. However, questions arise regarding, for example: *who* is covered by these restrictions; *how long* the restrictions ought to be; and, adequacy of existing enforcement measures (including the ability to detect any breaches).

The issue is also closely linked to the question of the definition of 'lobbying'. Given that 'in-house lobbying' falls outside of the scope of the South Australian regulatory scheme, the question arises how well post-separation employment restrictions guard against the risks associated with the 'revolving door' of lobbying.

Prompt questions:

- ▶ Should the restrictions on lobbying activity be expanded to a wider range of people affiliated with political parties (e.g. former MPs, candidates, politicians from other jurisdictions) or those employed by political parties to work on election campaigns?
- ▶ Would post-separation employment reporting requirements assist in ensuring compliance with lobbying restrictions?

LOBBYING AND LOCAL GOVERNMENT

At present, activities directed towards influencing decision making at a local government level are not captured by the South Australian regulatory scheme. However, local government decision makers are not immune from the risks associated with lobbying, and are likely to be a target of influencing activity, particularly in the context of grants administration, development applications and procurement.

The benefits of regulation need to be weighed against issues like the costs associated with administration and compliance, and the risk of reducing access to decision makers. These matters may assume greater importance when considered at the local level. This may particularly be the case in South Australia where local governments have less involvement in planning approvals than local governments in other jurisdictions.

HARMONISATION

In addition to the above, the issue of harmonisation of regulatory schemes across Australian jurisdictions was considered by all integrity agencies. There are a number of significant benefits to jurisdictions enacting similar regulatory schemes, not only for lobbyists, but also for regulators and members of the public. However, it may be that there are factors peculiar to the South Australian context which dictate a different approach being taken in one or more aspects of lobbying regulation.

Make a submission

The Commission will receive submissions about lobbying and influence in South Australia until Friday 15 September 2023. The above topics and prompt questions are of particular interest, but all responses will be considered carefully.

MAKE A SUBMISSION BEFORE FRIDAY 15 SEPTEMBER 2023:

POST:

GPO Box 11066
Adelaide SA 5001

EMAIL:

prevention@icac.sa.gov.au

APPENDIX A:

Overview of the regulatory framework in South Australia

Lobbyists Act 2015 and Lobbyists Regulations 2016

Lobbying activity in South Australia is directly regulated by the *Lobbyists Act 2015* ('the Lobbyists Act') and the *Lobbyists Regulations 2016* ('the Lobbyists Regulations').

The Lobbyists Act and Regulations are directed towards persons who engage in 'lobbying'. They do not regulate the conduct of persons who are the subject of lobbying activity.

A person engages in 'lobbying' if they, for money or other valuable consideration, communicate with a public official on behalf of a *third party* for the purpose of influencing the outcome of:

- ▶ legislation, or a government decision or policy (existing or proposed);
- ▶ an application for any approval, consent, licence, permit, exemption or other authorisation or entitlement under any Act or law of South Australia;
- ▶ the awarding of a contract or grant or the allocation of funding; or
- ▶ any other exercise by the public official of their functions or powers.

A 'public official' means any Member of Parliament and their staff (including staff in an electorate office), a public sector employee, a person contracted to provide services to or on behalf of a public sector agency, or a member of a government board. Members, officers and employees of local government bodies and the Local Government Association are not 'public officials'.

There are some exceptions to the definition of 'lobbying'. A person is *not* engaged in lobbying if they:

- ▶ are a public official themselves and communicate with the public official in the ordinary course of their duty;
- ▶ are a legal practitioner and communicate with the public official in the ordinary course of their work as a legal practitioner;
- ▶ hold particular accounting or financial advisor qualifications (specified in the Lobbyists Regulations) and communicate with the public official in the ordinary course of their work as an accountant or financial advisor.

Further, a person does not engage in lobbying if they act as an 'in-house lobbyist'; that is, if they communicate with a public official on behalf of an organisation or individual by whom they are directly employed.

The Lobbyists Act prohibits a person from engaging in lobbying unless they are registered. Any person who engages in lobbying without being registered can be prosecuted and faces a fine of up to \$30,000 or 2 years' imprisonment.

The Lobbyists Act places restrictions on who is entitled to be registered as a lobbyist. Persons are ineligible for registration:

- ▶ if they have ever been convicted of an indictable offence (generally, an offence punishable by more than 2 years' imprisonment);
- ▶ if they have, in the 10 years prior to applying for registration, been convicted of an offence of dishonesty (for example, theft or dishonestly dealing with documents);
- ▶ for a period of 2 years following cancellation of registration under the Lobbyists Act; and
- ▶ if they are prevented from engaging in lobbying by reason of section 13 of the Lobbyists Act.

Section 13 of the Lobbyists Act prevents former Ministers and their staff, Parliamentary Secretaries and high-ranking members of the public sector from engaging in lobbying for specified periods after they cease to hold office, and provides that any registration held by the person during the specified period is cancelled.

In the case of former Ministers, the relevant period is 2 years. In the case of the other persons listed, the relevant period is 12 months. Section 13 also prevents members of government boards from engaging in lobbying during the period of their membership.

The effect of section 13 is that any former Minister etc engaged in lobbying during the specified period will be doing so whilst unregistered, and therefore liable to prosecution.

The Lobbyists Act also prohibits a person from giving or receiving, or agreeing to give or receive, a 'success fee' for lobbying activity. A 'success fee' is an amount of money (or other valuable consideration) that is contingent upon the outcome of the lobbying activity. A person who gives or receives a success fee is liable to prosecution and faces a fine of up to \$30,000 or 2 years' imprisonment.

The Chief Executive of the Department of the Premier and Cabinet ('DPC') maintains the register of lobbyists. The Lobbyists Act states that the register must be available for inspection by the public and must contain certain information about each registered lobbyist, including: their name (including any business or trading name), business address, the names of any business partners or employees, and each 'return' provided by the person under section 8.

Section 8 requires a registered person to file an annual return which sets out:

- ▶ the name of each person/body on behalf of whom the person engaged in lobbying, or with whom the person had an agreement to engage in lobbying;
- ▶ the name of each public official lobbied and the subject matter of the lobbying engaged in;
- ▶ the name of any person employed by or otherwise engaged by the person to engage in lobbying (whether or not the person in fact engaged in lobbying).

The register is available to be viewed by the public through the DPC website.³

The Lobbyists Act states that the Regulations may incorporate, or operate by reference to, a code of conduct. No code of conduct is currently in operation.⁴

³ <https://www.dpc.sa.gov.au/responsibilities/lobbyist-registration/active-and-inactive-lobbyists>.

⁴ It should be noted, however, that the *Lobbyists Code of Conduct 2009* – rendered inoperative by the Lobbyists Regulations in April 2016 – can still be found on the DPC website in DPC Circular 32 dated October 2014.

Ministerial Code of Conduct

The Ministerial Code of Conduct, dated July 2002, applies to all Ministers of the Crown in South Australia. The Code of Conduct does not specifically address lobbying, but sets out expectations of Ministers in relation to: general standards of conduct, conflicts of interest, use of information obtained in the course of official duties, use of public property, continuing obligations (i.e. post Ministerial service), relations with the public service, and caretaker conventions.

Public Sector (Honesty and Accountability) Act 1995

This Act imposes obligations of honesty and accountability (including specific duties in respect of conflicts of interest) on corporate agency members, advisory board members, senior public sector officials, corporate agency executives, public sector employees and person performing contract work. Breaches of these obligations amount to criminal offences punishable by fines and/or imprisonment. Civil penalties may also be imposed.

Public Sector Code of Ethics


The Public Sector Code of Ethics applies to all public sector employees. It does not specifically address lobbying, but sets professional conduct standards regarding: professional and courteous behavior, public comment, handling official information, use of government/public resources, conflicts of interest, outside employment, acceptance of gifts and benefits, criminal offences and reporting unethical behavior.

In addition to the above, South Australian Public Sector Agencies each have internal administrative measures which address issues relevant to the risks associated with lobbying, based upon the Public Sector Code of Ethics.



Attachment 3

September 2018

A photograph showing the silhouettes of three people (two men and one woman) sitting around a table in a modern office or meeting room. They are positioned in front of a large window that looks out onto a city skyline. The lighting is soft, coming from the window, creating a professional and collaborative atmosphere.

Who's in the room? Access and influence in Australian politics

Danielle Wood and Kate Griffiths

Grattan Institute Support

Founding members



Australian Government



Endowment Supporters

The Myer Foundation
National Australia Bank
Susan McKinnon Foundation

Affiliate Partners

Medibank Private
Susan McKinnon Foundation

Senior Affiliates

Google
Maddocks
PwC
McKinsey & Company
The Scanlon Foundation
Wesfarmers
Westpac

Affiliates

Ashurst
Corrs
GE ANZ
Jemena
Urbis
Woodside

Grattan Institute Report No. 2018-12, September 2018

This report was written by Danielle Wood, Kate Griffiths and Carmela Chivers. Grattan interns Tim Asimakis, Matthew Bowes, Isabelle Hughes and Anne Yang provided research assistance and made substantial contributions to the report.

We would like to thank the members of Grattan Institute's Public Policy Committee for their helpful comments. We also thank AJ Brown, Ken Coghill, Belinda Edwards, Darren Halpin, Serena Lillywhite, Cameron Murray, Joo-Cheong Tham and Anne Twomey for their suggestions, and staff of the Australian Electoral Commission, NSW Electoral Commission, NSW ICAC and other government and industry bodies for their technical input.

The opinions in this report are those of the authors and do not necessarily represent the views of Grattan Institute's founding members, affiliates, individual board members, committee members or reviewers. Any errors or omissions are the responsibility of the authors.

Grattan Institute is an independent think-tank focused on Australian public policy. Our work is independent, practical and rigorous. We aim to improve policy outcomes by engaging with both decision-makers and the community.

For further information on the Institute's programs, or to join our mailing list, please go to: <http://www.grattan.edu.au/>.

This report may be cited as: Wood, D., Griffiths, K., and Chivers, C. (2018). *Who's in the room? Access and influence in Australian politics*. Grattan Institute.

ISBN: 978-0-6483311-3-1

All material published or otherwise created by Grattan Institute is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 3.0 Unported License

Overview

Australians are rightly concerned about the role of special interests in politics. Even a healthy democracy like Australia's can be vulnerable to policy capture. Well-resourced interests – such as big business, unions and not-for-profits – use money, resources and relationships to influence policy to serve their interests, at times at the expense of the public interest. Even if they are only sometimes successful, it's not the 'fair go' Australians expect.

Access to decision makers is vital for anyone seeking to influence policy. But some groups get more access than others. Businesses with the most at stake in government decisions lobby harder and get more meetings with senior ministers. Some industries – such as gambling and property construction – are hugely over-represented compared to their contribution to the economy.

Money and relationships can boost access: time with ministers and their shadows is explicitly 'for sale' at fundraising dinners, and major donors are more likely to get a meeting with a senior minister. And more than one-quarter of politicians go on to post-politics jobs for special interests, where their relationships can help open doors.

The major political parties rely on a handful of big donors: just 5 per cent of donors contributed more than half of the big parties' declared donations at the last election. Donations build relationships and a sense of reciprocity. And the fact that industries in the cross-hairs of policy debate sometimes donate generously and then withdraw once the debate has moved on suggests they believe, perhaps rightly, that money matters.

Special interests also seek influence through the public debate. The idea is simple: if you can capture the 'hearts and minds' of the public

then policy makers will usually follow. Major advertising campaigns are the preserve of well-resourced groups: unions, industry peak bodies and *GetUp!* were major spenders in the past decade. Some groups commission consultants or think tanks to lend credibility to their case. The media often publish their findings uncritically or fail to ask: 'who paid for this research?'

Who's in the room – and who's in the news – matters for policy outcomes. Powerful groups have triumphed over the public interest in some recent debates, from pokies reforms to pharmaceutical prices, to toll roads and superannuation governance.

This report shows how to strengthen checks and balances on policy influence. Publishing ministerial diaries and lists of lobbyists with passes to Parliament House could encourage politicians to seek more diverse input. More timely and comprehensive data would improve visibility of the major donors to political parties. Accountability should be strengthened through clear standards for MPs' conduct, enforced by an independent body. A cap on political advertising expenditure would reduce the donations 'arms race' between parties and their reliance on major donors. These reforms won't cure every ill, but they are likely to help. They would improve the incentives to act in the public interest and have done no obvious harm in jurisdictions where they have been implemented.

Australians want to drain the billabong: they don't like the current system and they don't trust it. This report proposes some simple changes that would improve the quality of policy debate and boost the public's confidence that policy is being made for all Australians – not just those in the room.

Recommendations

Australian political institutions are generally robust, but there is room for improvement. This report proposes eight key reforms.

Improve transparency in policy making

- Publish ministerial diaries to enable public scrutiny of who ministers are meeting – and not meeting – and encourage them to seek out a wider range of views.
- Link the lobbyists register to ‘orange passes’ to identify commercial and in-house lobbyists with privileged behind-the-scenes access to Parliament House, and ensure they comply with the lobbying code of conduct.
- Improve the visibility of political donations by lowering the donations disclosure threshold to \$5,000, requiring political parties to aggregate multiple donations from the same donor and requiring more timely release of donations data.

Strengthen accountability of policy makers

- Clarify conflicts of interest for all parliamentarians – particularly around hospitality, gifts and secondary employment – and set a standard for the public, media and parliament to hold elected officials to.

- Independently administer codes of conduct, to build public confidence that people are complying with them. Appoint a separate ethics adviser to encourage current and former politicians to seek advice when they are in doubt.
- Establish a federal integrity or anti-corruption body to investigate potential misconduct or corruption, publish findings, and refer any corrupt activity to the Commonwealth Director of Public Prosecutions.

Level the playing field

- Cap political advertising expenditure by political parties and third parties during election campaigns to reduce the imbalance between groups with different means to broadcast political views, and limit the reliance of major political parties on individual donors.
- Boost countervailing voices through more inclusive policy review processes and advocacy for under-represented groups to give politicians and public officials better information with which to adjudicate the public interest.

These recommendations are detailed in Chapter 5.

Table of contents

Overview	3
Recommendations	4
1 Australia is vulnerable to policy capture	6
2 The access problem in Australian politics	16
3 The money problem in Australian politics	31
4 Winning hearts and minds	47
5 Proposals for reform	56
A Case studies of special interest influence	69
B Associated entities	75

1 Australia is vulnerable to policy capture

This report examines the influence of special interests on policy making in Australia. It demonstrates how individuals and organisations with the most to gain or lose from policy changes push their agenda. And it highlights the cost to other Australians when the voices of special interest groups are given too much weight in policy debates.

This chapter shows why – even in a healthy democracy like Australia's – special interests can sometimes successfully hijack the policy-making process. Indeed, many of the 'risk factors' for policy capture – financial dependence, cosy relationships and lack of transparency in dealings between special interests and parliamentarians – are present in our system.

Australians are concerned about special interest control over policy, and rightly so – this chapter underscores the economic and social costs of a political system that sometimes favours the few over the many.

1.1 Democratic institutions help protect against policy capture but aren't always a perfect defence

In the ideal democracy, the mechanisms of government are devised so that the clash of contending opinions and interests is converted into policies that serve the common good.¹

Democracy is at its heart a contest of ideas. The policy-making process translates those ideas into actions: laws, regulations, taxes and spending.

In democracies like Australia, a number of safeguards, not least elections themselves, aim to promote policy made in the public interest, not for special interests. But these safeguards are not perfect, and in

some cases they are getting weaker. That's why many democracies have direct checks on the influence of special interest groups – particularly around political donations and access.

1.1.1 The policy-making process has a number of checks against undue influence

Policy making is rarely linear or neat – politicians and other decision-makers draw information, analysis and views from a range of sources:

- Individuals represent their interests by writing to or talking with a local member or minister, signing a petition, joining a protest, expressing a view in the media, or donating to or volunteering for a political party or advocacy group.
- Special interests – such as unions, business, and not-for profit groups with an advocacy role – advance their views either privately through meetings with decision-makers or publicly through media and advertising.²
- The public service provides ministers with 'frank and fearless' analysis and advice, including on the public interest. Other public service institutions such as the Parliamentary Library and the Parliamentary Budget Office also assist all parliamentarians in analysing policy.
- Experts outside the public service – including professionals, academics and think tanks – volunteer or are asked for their policy analysis and advice.

1. Lindsey and Teles (2017, p. 18).

2. Governments also lobby other governments, for example local councils or foreign governments might lobby the federal government.

Policy makers are expected to weigh these sources of information and make decisions in the public interest.³ At the highest level, the public interest can be defined as for “the benefit of society, the public or the community as a whole”.⁴ But reasonable minds can differ about what policies are in the ‘public interest’. Before policies can be implemented, individual politicians usually need to convince their party, and then the parliament, about the best course of action.⁵ In practice, policy often compromises between competing views of the public interest.⁶

As part of this process, elected representatives and many others spend considerable time and effort thinking about, analysing and debating the public interest. Skilled and well-motivated politicians are a vital part of good policy-making.

But decision-makers at times also respond to other motivations. Self-interest, the interests of their political parties, and the concerns of special interests can also influence policy choices.

Elections help keep these other influences in check. They signal the public’s view of how their interests are best served, and provide an incentive for governments not to veer too far from that path. Governments that pursue policies that leave the majority of the electorate substantially worse off are unlikely to survive. The media has an important role in informing voters by shining a light on policy debates and political processes.

3. Under the Constitution, the Parliament makes laws for “the peace, order, and good government of the Commonwealth” (*Commonwealth of Australia Constitution Act* (1900, s. 51). Public office bearers are entrusted to only exercise their powers “for, and on behalf of, the people” (Lusty (2014)). Acting in the ‘public interest’ is fundamental to ‘good government’, see Wheeler (2006).
4. See Wheeler (ibid.) for a more detailed discussion of ‘the public interest’.
5. There are few policy areas where individual ministers have individual discretion (Section 1.3).
6. For example, the GST, pension reform, company tax cuts, and the National Energy Guarantee involved compromises within political parties, between parties, and with crossbenchers.

Party pre-selection processes are another check on the conduct and policy views of parliamentarians, at least for the major parties. Although pre-selection processes are a long way from perfectly democratic,⁷ they generally require politicians and would-be politicians to periodically convince party members in their electorates that they are the best person to represent the party.

1.1.2 These safeguards are not perfect and in some cases are becoming weaker

Democracy isn’t a perfect safeguard of the public interest. Voting is ultimately a blunt check on bad policy and bad behaviour.

Voters often lack information. Governments preside over a vast range of policies and programs. But many people cast their vote on just a few highly visible policy issues.⁸

Some of the other checks on behaviour and decision-making are becoming weaker.

The media is not always an effective ‘watchdog’. Investigative journalism is costly, and with falling advertising revenues, many media outlets cannot fund much of it.⁹ Australia’s media is more concentrated than almost anywhere else in the world,¹⁰ which limits the avenues for alternative views. And Australia’s tough defamation laws make our media very cautious about calling out undue influence, let alone corruption.¹¹ All this weakens media oversight of policy – particularly more technical policy issues – and abuses of power.

7. Johns (2000); and Duffy (2016).
8. Or on party loyalties, or personalities. Many argue that voters pass judgement on the overall performance of politicians, not their policies, e.g. Lenz (2012).
9. Beecher (2013).
10. Dwyer and Muller (2016).
11. Some argue Australia’s defamation framework leads journalists to self-censor (S. Keane (2017)). Comparative analysis of news content in Australia and the US supports this (Dent and Kenyon (2004)).

There are concerns that the public service is losing policy capability¹² and is being sidelined as a source of policy advice.¹³ The rise of ministerial office staff and the politicisation of the public service make it harder for public servants to provide robust, trusted policy advice.¹⁴

Pre-selection processes – to the extent they are influenced by party members – are becoming a less useful check on candidates' conduct and mainstream appeal because major party membership is falling and becoming less representative of the wider population.¹⁵ A shrinking membership base also makes it easier for a narrow set of interests within a party to stack or control branches and pre-selections.¹⁶

1.2 How special interests convert economic power into political power

Special interests are individuals or organisations with much to gain or lose from a particular change in government policy. All of us have an interest in particular policy debates, but this report is concerned with people and groups that try to influence policy outcomes in their favour, when it is at the expense of the public interest. Special interests invariably claim that the outcomes they support are in the public interest. But what is good for General Motors is *not* always good for the country.

Well-resourced special interest groups – such as unions and big businesses – will sometimes exert considerable effort and resources to push for policies that benefit themselves, often at the expense of

others.¹⁷ The most extreme version of this is graft – where an interest group pays for a vote or regulatory decision. This kind of 'black letter' corruption is illegal in Australia¹⁸ and probably rare (Chapter 3).

But there are many legal ways that special interests can create a favourable political environment. These include donations, lobbying, hiring former ministers and staffers who have existing relationships with decision-makers, and seeking to convince the public that their interests align with the public interest.

These tools are more readily available to the well-resourced and highly motivated. They can increase the risk that policy makers make decisions based on an unbalanced view of an issue and – knowingly or unknowingly – give undue weight to special interests over the public interest. This 'grey area' of **undue influence** is the focus of this report.

It may not be the norm, but undue influence is real and can be costly. In a recent public survey, 56 per cent of respondents said they had 'personally witnessed' public officials making decisions that favoured a business or individual who gave them political donations or support, or at least 'suspected' that was happening. And the number was even higher among those who had worked in federal government (Figure 1.1).

1.2.1 Rent-seeking can pay off for special interests

Organised attempts to influence policy can create windfall gains for some, at the expense of others. Economists call this 'rent-seeking': when businesses try to influence government decisions to boost *their*

12. Moran (2017).

13. Mitchell (2015); and Van Onselen (2014).

14. Banks (2013a). These issues are not the focus of this report, but will be considered in future work.

15. D. Wood et al. (2018); and Reece (2015a).

16. Duffy (2016).

17. Lindsey and Teles (2017). 'Resources' can include money, staff, members, volunteers, information and expertise.

18. Bribing a public official, and receiving a bribe or 'corrupting benefit', are illegal under Australian law, but require proof of a dishonest or improper motive, *Criminal Code Act 1995* (Cth).

wealth but not wealth overall.¹⁹ This report defines rent-seeking more broadly, to include the efforts of other groups – such as unions and not-for-profits – when they seek government interventions that further their interests at the expense of the public interest.

Lobbying does not always pay off for individual firms.²⁰ But one US study found economic elites or organised interests tended to prevail when their opinion was on one side of a debate and public opinion on the other.²¹ Even occasional windfall gains for rent-seekers are a concern if they come at the expense of the public interest.

Rent-seeking is most likely to succeed when the benefits from a policy outcome are concentrated but the costs are diffuse. The few that stand to gain a lot tend to be more motivated to persuade decision-makers than the many that each stand to lose a little, even if the collective losses are substantial.²²

Rent-seeking is also more likely to be successful where the policy area is technical, niche or complex.²³ These policy areas are more difficult for citizens, journalists and outsider groups to engage with, and policy makers themselves are more reliant on the expertise of special

19. Tullock et al. (2002).

20. “Individual lobbyists . . . try to spin their issues, but opponents fight back, ensuring that for most issues most of the time, a stable equilibrium continues” (Baumgartner et al. (2009)). Studies show mixed results on whether lobbying spend delivers bang for buck: e.g. Cao et al. (2018), Chen et al. (2015), Hadani and Schuler (2013), Hill et al. (2013) and Lux et al. (2011).

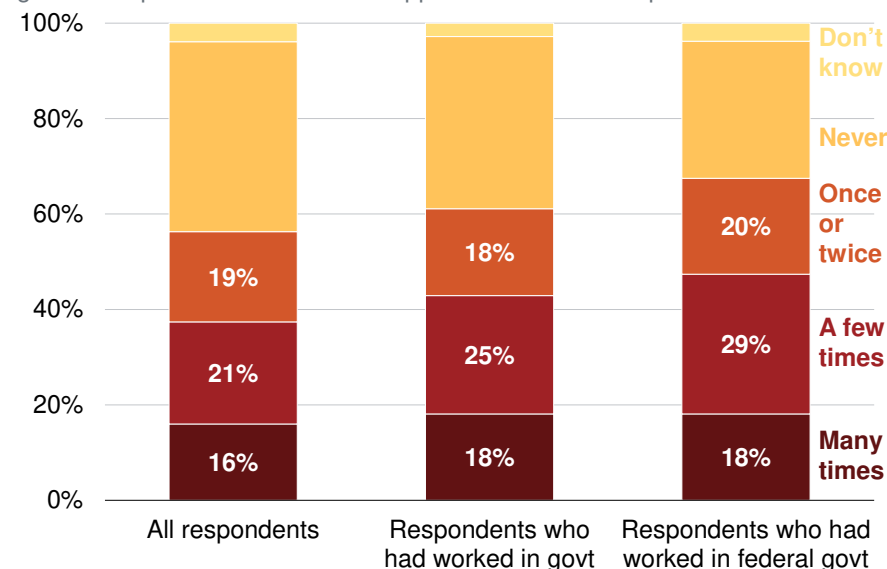
21. Gilens and Page (2014).

22. Olson (1965).

23. Few interest groups engage with these issues – a US study found 50 per cent of policy issues attracted only 3 per cent of lobbying activity, while 5 per cent of issues attracted more than 45 per cent of lobbying activity (Baumgartner and Leech (2001)). Political activity directed at specific issues tends to be more successful than general political activity (Burststein and Linton (2002) and Cao et al. (2018)). And lobbying aimed at maintaining the status quo is also more likely to be successful (Baumgartner et al. (2009)).

Figure 1.1: Most people say they have seen, or suspect, public officials favour those that back them

How many times have you ‘personally witnessed or suspected’ a government official or politician making a decision in favour of a business or individual who gave them political donations or support? Per cent of responses



Notes: This was a telephone poll of 2,218 adults in Australia conducted by Griffith University and Transparency International Australia in May-June 2018.

Source: Transparency International Australia (2018).

interests in formulating policy. “The power of [special] interests varies in direct proportion to the visibility of the issue in question.”²⁴

Industries that are heavily regulated by government, such as property development, transport, and mining, are particularly prone to rent-seeking because complex regulations tend both to affect many areas of their business and are difficult for outsiders to understand.²⁵

1.2.2 Economic and social costs of rent-seeking can be high

The economic costs of rent-seeking can be substantial. It can reduce economic activity – the ‘size of the pie’ – if firms devote their efforts to influencing policy rather than developing better and more innovative products and services.²⁶ Even the perception that government is in bed with particular interests can reduce entrepreneurial activity if new entrants believe that incumbents do not have to compete on their merits.²⁷

The simplest measure of the cost of rent-seeking is the amount spent on it. In the US, special interests spent a total of US\$3.4 billion on lobbying activities in 2017.²⁸ Equivalent data is not collected in Australia, but we know that private interests donated more than \$40 million to political parties at the last federal election.²⁹ Estimates of the expenditure of major Australian peak bodies and advocacy

groups in 2015-16 range from \$400 million to \$700 million³⁰ – and those estimates do not include in-house or commercial lobbying staff employed by businesses, unions and not-for profits.

While lobbying spend gives a sense of the size of the industry, it cannot capture the costs to the public of poor policy encouraged by lobbying. Estimating this is inherently challenging,³¹ but some US and Australian studies suggest the costs to citizens could be substantial.³² International studies suggest corruption and perceived corruption tend to reduce economic growth.³³

Lobbying can also cause governments to overlook important policy issues. A US study found little overlap between the issues that lobbyists work on and the issues the broader public considers most important.³⁴ Policy makers who spend more time talking to lobbyists than the general public may end up with a distorted sense of policy priorities.

Rent-seeking is also *socially* detrimental. Rent-seeking and corruption worsen inequality by increasing the share of the pie going to those already well-off.³⁵ When a political system favours ‘insiders’ or the powerful, the public’s trust in government is weakened.³⁶ And if the same interests seem to keep winning, the legitimacy of government is undermined and it becomes harder to promote policy changes that are unpopular but in the public interest.³⁷

24. Teles (2013).

25. Cao et al. (2018); Hadani and Schuler (2013); Bonardi et al. (2006); and Transparency International Australia (2017).

26. Tullock et al. (2002); Lindsey and Teles (2017); Zingales (2017); Brou and Ruta (2013); and Baumol (1996).

27. K. M. Murphy et al. (1993). And it may encourage people to choose careers specialising in rent-seeking work instead of entrepreneurial activity (K. M. Murphy et al. (1991)).

28. Lobbying spending grew rapidly through the 2000s but has plateaued since the global financial crisis (Center for Responsive Politics (2018)).

29. Counted over the two financial years containing the 2016 federal election campaign (Chapter 3).

30. Bragg (2017); and West (2017a).

31. Del Rosal (2011).

32. e.g. Bessen (2016), Lindsey and Teles (2017) and Murray and Frijters (2017, pp. 153–155).

33. Mauro (1995) found indices of perceived corruption have a negative relationship with economic growth. Also Bardhan et al. (1997) reviews the evidence.

34. Baumgartner et al. (2009); and Kimball et al. (2012).

35. Tullock et al. (2002); Lindsey and Teles (2017) reviews the US evidence.

36. Banks (2013b); Tham (2010); and Lessig (2013).

37. Dur and Bievre (2007).

1.3 Australia is vulnerable to policy capture

'Policy capture' occurs when special interests succeed in swaying policy in their favour at the expense of the public interest.³⁸

Australia has many of the risk factors that make policy capture more likely.³⁹ special interests have the resources and incentives to influence policy outcomes; current rules and norms create additional opportunities to influence; and existing checks and balances on influence are weak in some areas (Table 1.1). Several parliamentary committees and inquiries have recognised the need to address weaknesses in the system.⁴⁰

Other democracies are similarly vulnerable, but many make access and influence more transparent, which enables voters to better hold government to account.⁴¹

Incentive to influence policy

Half the Australian economy is heavily dependent on government policy.⁴² This includes the property, mining, financial services, transport, energy and telecommunications sectors. In these sectors government can create individual winners (e.g. by granting mining licenses, awarding a contract or rezoning land) and increase – or

38. OECD (2017, p. 9).

39. Ibid.

40. For example, a 2017 Senate Select Committee recommended "the Commonwealth Government prioritises strengthening the national integrity framework" (Senate Select Committee (2017)). Researchers have identified specific weaknesses in Australia's federal integrity system, including: a lack of coordinated oversight of high-risk misconduct; no independent supervision for large areas of corruption risk (such as procurement); and limited public accessibility and whistle-blower support (Brown et al. (2018)).

41. OECD (2017); OECD (2014); and OECD (2016).

42. IBISWorld 'heavy regulation and government policy' category.

Table 1.1: Australia is vulnerable to policy capture

	Risk factor	Risk in Australia?
Incentive	Government policy determines 'winners'	There are many sectors where government decisions have a big impact on returns.
	Existing inequality	Some sectors are highly concentrated.
Ability	Availability of resources	Many special interests are well-resourced (such as unions and large businesses).
	Reliance	Political parties are heavily reliant on major donors.
	Repeated interactions / relationships	Some interests have disproportionate access to policy makers; some donate regularly.
		Privileged access to Parliament House facilitates casual interactions between politicians and influence-seekers.
Opportunity		Lax 'revolving door' rules permit 'cosiness' between politicians and influence-seekers.
	Opacity of decision making	Limited transparency and poor accountability mechanisms.
	Technical complexity	In some policy areas, government (and particularly opposition parties) rely on interest groups to test policies.
	Unchecked discretion	Parties, parliament and media provide some checks. But these checks are less effective where losers are diffuse.

Notes: Red means the risk factor is present in Australia, orange means it is sometimes present, yellow means it is not present.

Source: Grattan Institute, adapted from OECD (2017).

destroy – profitability (*e.g.* by providing bank guarantees or changing regulatory settings).

Some of these sectors are concentrated,⁴³ and some are highly profitable natural monopolies⁴⁴ in which incumbents have a lot to lose from new entry, competitive challenge or tighter regulation.

In Australia, sectors with higher barriers to entry are a little more profitable than those with lower barriers.⁴⁵ These sectors earn more than \$16 billion in 'super-normal' profits.⁴⁶ These super-normal profits are not necessarily rents created by government – they often result from natural or government-created barriers to entry. But given these super-normal profits exist, incumbents may be strongly motivated to protect them through lobbying rather than innovation, at the expense of consumers and taxpayers.

Ability to influence policy

Regular interactions and stable networks make it easier to exert undue influence. Relationships between government and some special interests in Australia are often 'cosy'.

Many major political donors donate regularly, and political parties are highly reliant on a small number of donors for most of their funding (Chapter 3).

43. *e.g.* Banking, insurance and mobile telecommunications, Minifie (2017).

44. *e.g.* Electricity distribution and transmission, rail freight transport, and wired telecommunications, Minifie (*ibid.*).

45. About 40 per cent of all above-normal profits are earned behind barriers to entry, even though those sectors account for less than 30 per cent of total equity (Minifie (*ibid.*)).

46. 'Super-normal' profits are those earned above the cost of equity. Profits and super-normal profits were calculated based on sector average returns (after tax) calculated from 2010-11 to 2015-16, weighted by firm equity, excluding goodwill. Sectors with high barriers to entry and super-normal profits include banking, insurance, supermarkets, gambling, electricity networks, transport and telecommunications (Minifie (*ibid.*)).

Businesses in highly regulated industries account for the lion's share of external meetings with senior politicians on both sides of politics. And there are plenty of opportunities for informal interactions as well, ranging from corridor catch-ups in Parliament House to corporate boxes at the AFL Grand Final (Chapter 2).

Many special interests also lobby through former ministers, advisers and senior bureaucrats using their existing relationships and know-how. Policy makers may be particularly vulnerable to policy capture when approached by former colleagues and friends (Chapter 2).

Many special interests have the financial resources to make the most of these various influence channels.

Opportunity to influence policy

Special interests have more opportunity to bend policy to their advantage in systems where checks and balances on influence are weak. Australia has a range of checks on policy decisions – including party pre-selections, public service advice, independent media and of course elections. But these checks are not perfect and in some cases they are weakening (Section 1.1).

1.4 Australians are concerned about the power of special interests

Surveys show that since the early 2000s, perceptions that 'people in government look after themselves' and that 'government is run for a few big interests' have risen significantly (Figure 1.2).⁴⁷

47. Cameron and McAllister (2016).

In 2018, 85 per cent of Australians surveyed thought at least 'some' federal MPs were corrupt (on par with perceptions of state MPs and worse than perceptions of local officials).⁴⁸

Australia has also slipped in Transparency International's Corruption Perceptions Index in recent years.⁴⁹ The index scores countries on how corrupt their public sectors are seen to be, as measured by surveys of business people, analysts and other experts. While Australia is still among the best-ranked countries in the world, it is the only highly-ranked country to have experienced a significant decline in the index, slipping 8 points between 2012 and 2017 (Figure 1.3).

In recent months the federal government has voiced concerns about foreign interference in our political system, including the influence of foreign donors.⁵⁰ There are good reasons for concern: the 2016 US election showed how corrosive foreign influence can be, and the Australian intelligence community has warned that similar activities could happen here.⁵¹ The Australian Parliament passed two bills in June 2018 that introduce new national security offences and require registration of foreign efforts to influence.⁵² But a third bill attempting to ban foreign donations is yet to pass because of difficulties in identifying banned donations and fears of unintended consequences.⁵³

48. This was a telephone poll of 2,218 Australians as part of the Global Corruption Barometer, conducted by Griffith University and Transparency International Australia in May-June 2018 (Transparency International Australia (2018)).

49. Ibid.

50. The then Prime Minister, Malcolm Turnbull, cited 'disturbing reports about Chinese influence' when he announced new legislation in December 2017 to try to limit foreign interference (Belot (2018)).

51. Baxendale (2018); and Belot (2017a).

52. National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2018 (Cth); and Foreign Influence Transparency Scheme Bill 2018 (Cth).

53. The third bill is the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Bill 2017 which attempted to ban foreign donations, but faced significant challenges canvassed by Twomey (2018).

Australia needs a broader suite of reforms to restrict undue influence, including foreign influence.⁵⁴

Perceptions of undue influence are a problem for government

Even if policy makers do meet with a wide variety of interests and appropriately balance their views, the *perception* that some interests might be distorting policy-making is still a problem for government.

The perception of undue influence undermines trust in government and makes policy making harder: "Undue influence – whether real or perceived – erodes the social contract underpinning democracies, and hence the system's credibility and legitimacy".⁵⁵

Falling trust and rising voter disillusionment appear to be behind the growing support for minor parties in Australia. More votes for minor parties makes majority government less likely. It's not necessarily a bad thing for policy when a government has to negotiate with crossbenchers, but it does make legislating policy change more complex.⁵⁶ Lower trust also makes it harder for government to enact 'difficult but necessary' reforms.⁵⁷

1.5 Finding the right balance

The question of what to do about undue influence is tricky. Shutting special interests out of the policy process is not the answer. Interests *should* be able to advocate for themselves and make representations to government.⁵⁸ Different groups advancing their views is part of a healthy democratic process.

54. Ibid.

55. OECD (2017, p. 3).

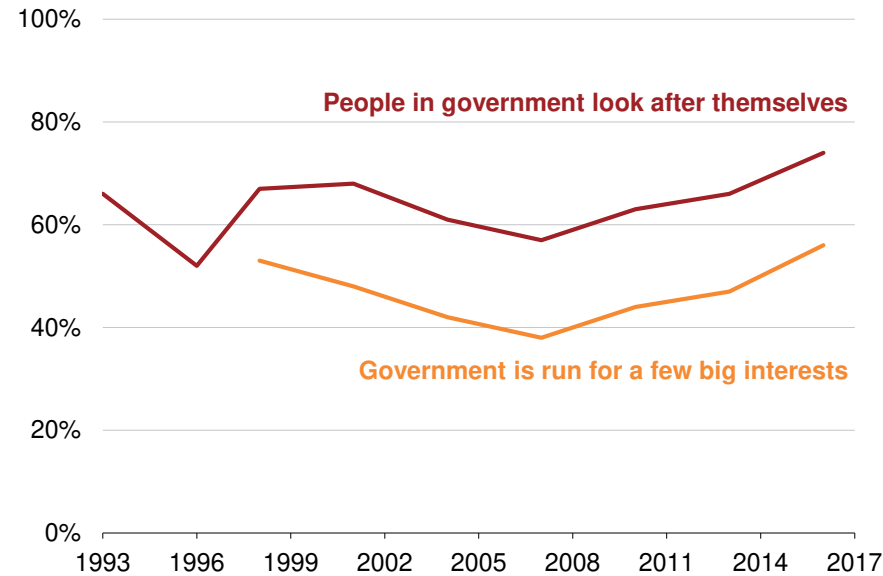
56. D. Wood et al. (2018).

57. Hetherington and Husser (2012).

58. Tham (2010); and OECD (2017).

Figure 1.2: Public concern about special interests has risen

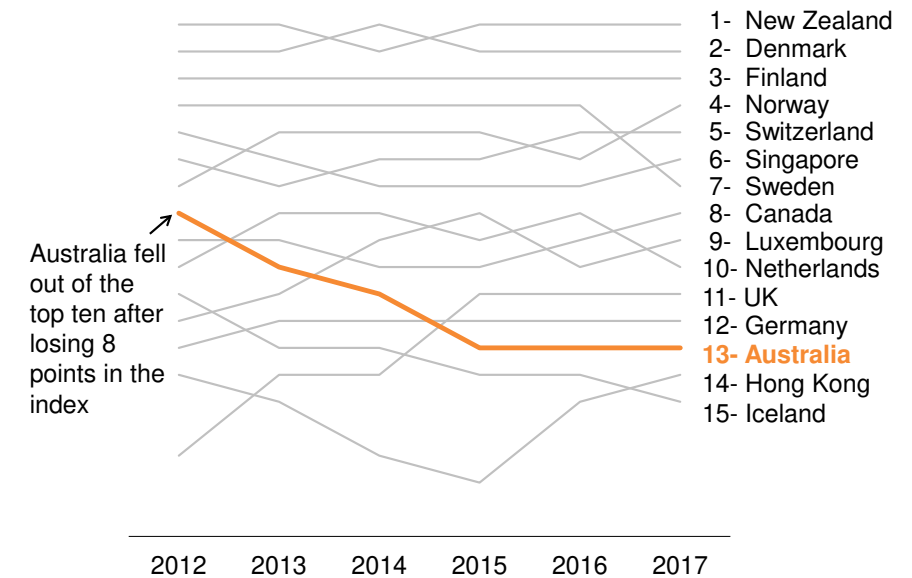
Survey respondents who agree with selected statements



Source: Cameron and McAllister (2016).

Figure 1.3: Experts say Australia is falling behind on international measures of corruption

Corruption Perceptions Index rank, 2012-2017, top 15 countries in 2017



Notes: The index scores countries on how corrupt their public sectors are seen to be according to surveys of business people, analysts and other experts. Australia is the only top ten-ranked country in 2012 to have had a statistically significant decline in the index since 2012 (from a score of 85 and a rank of 8th in 2012, to a score of 77 and a rank of 13th in 2017).

Source: Transparency International (2018).

But policy making can be distorted if some interests are consistently heard while others are not – whether because they invest more in lobbying, donations or public campaigns or because they are able to leverage political connections.

The remainder of this report tracks the ‘tools of influence’: political donations, lobbying, the ‘revolving door’ of politicians and staff into lobbying roles, and campaigns to capture the ‘hearts and minds’ of the public. Current checks and balances on special interest influence do not seem to be sufficient, given the evidence of disproportionate access and influence, and the many examples of special interest groups capturing the policy agenda. Of course good policy often prevails, but even some instances of policy capture are cause for concern.

The report is structured as follows:

Chapter 2 shows how some special interests invest much more in lobbying and gain substantially more access to policy makers. It shows how access often translates into policy influence.

Chapter 3 examines the role of political donations in building relationships with parties and policy makers, enabling access, and fostering a sense of reliance and reciprocity.

Chapter 4 looks at public campaigns on policy and how misinformation, and imbalance in coverage, can skew policy away from the public interest.

Chapter 5 recommends reforms to make policy making more transparent, tighten existing checks and balances on policy makers, and give less-powerful voices more opportunity to contribute to policy debates.

2 The access problem in Australian politics

Access to senior policy makers is crucial to influence. That's why unions, businesses and community groups spend time pressing the flesh with parliamentarians and advisers.

Lobbying plays an important role in policy development: it may help throw up new ideas and reduce the risk of uninformed or damaging decisions by those in office.⁵⁹

But some individuals and groups get more access than others. Business interests get many more meetings with senior ministers than consumer and community groups – at least in the states where we can see ministerial diaries.

Highly regulated industries, where government decisions can have a big impact on the bottom line, use commercial lobbyists more, and gain a disproportionate share of meetings with senior ministers. It is not surprising that these businesses are knocking on the doors of government. The worry is that such a heavy skew means policy makers are not getting a balanced view of the issues.

Some interests also seek to boost their influence by hiring former ministers and staffers with existing relationships, or by building relationships in more relaxed settings such as at the football or on an overseas trip.

Access seems to pay off in terms of influence: there are plenty of examples of interest groups successfully lobbying for policy changes to be put on – or taken off – the table, which look contrary to the public interest.

Existing checks and balances on lobbying activities in Australia are weak and poorly enforced. Given the importance of access, voters

59. ICAC (2010); and Australian Government (2018a).

have a right to know more about who gets meetings with senior politicians, and the system needs better checks on former politicians selling their relationships.

2.1 Who's in the room?

Access matters in politics. The policy process is becoming more open to outside influence (Box 1), with many different interests seeking time with politicians and their staff. At least 500 commercial lobbyists are paid to lobby federal politicians on behalf of a client.⁶⁰ Another 1,755 people hold sponsored security passes for federal Parliament House.⁶¹ These 'orange passes' permit them to walk unescorted through the corridors of power.⁶²

Private companies, many of them businesses in highly regulated industries, make up almost 80 per cent of the clients of commercial lobbyists on the federal register (Figure 2.1).

60. Australian Government Lobbyists Register, as at August 2018 (PM&C (2018a)).

61. As at 31 July 2018 (Department of Parliamentary Services response to a Grattan Institute request for information). The identity of pass-holders is not on the public record (DPS (2017)).

62. This makes holding multiple meetings with MPs and advisers far more convenient and also increases the chance of spontaneous encounters – for example at the cafes inside the House that are not accessible to the general public. Orange passes require the holder to be sponsored by someone in the Parliament who has known the passholder for 12 months or longer, or provide a letter from their organisation vouching for their good character and their need for 'significant and regular business access' (Lambie (2017a)).

Box 1: A more open policy process creates opportunities and risks

Sources of political influence have become more diverse in recent decades as the membership of the major parties has diminished. Policy development and agenda-setting no longer occur primarily in party forums.^a A range of groups put issues on the agenda, including peak bodies, think tanks and grass-roots organisations.

Interest groups and issue movements, which organise and campaign outside party arenas, have become “more important vehicles for political participation and democratic accountability”.^b And lobbying is one of their key political tools.^c This creates a more open contest of ideas, but it also increases the risk of undue influence in areas where the major political parties don't have strong ideological or policy grounding.

Some interest groups go further and establish a political party. ‘Interest-based’ parties abound in Australia: the Animal Justice Party, Mature Australia, and Marriage Equality all fielded Senate candidates in the 2016 election. The ALP, of course, was established as the party of the union movement, and affiliated unions still retain substantial power over party conferences (which set policy) and pre-selections (which decide who stands for office).

Establishing a party is an open way to seek influence. But, as many groups find out, convincing the public of your case can be harder (and more expensive) than trying to influence an incumbent.

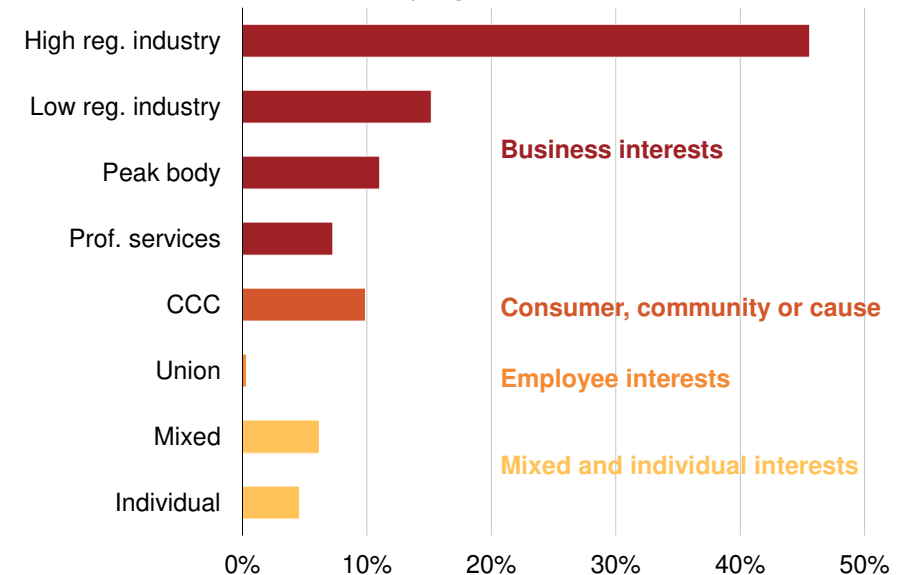
a. Marsh (1999); and Ward (2009).

b. Tham (2010); Ward (2009); and Marsh (1999).

c. Tham (2010, p. 219).

Figure 2.1: Commercial lobbyists typically represent companies in highly regulated industries

Share of clients on the federal lobby register in 2018



Note: ‘Mixed’ interests are organisations that have both business and non-profit interests, such as universities, hospitals, research institutes and local councils.

Source: Grattan analysis of clients on the Australian Government Lobbyists Register (PM&C (2018a)) as at April 2018 (total clients = 1848).

But commercial lobbyists are only a fraction of the access story. Most major corporates, unions and not-for-profits employ government relations or executive staff whose job is to manage relationships with policy makers. Yet their access is almost entirely invisible.

At the federal level, there is no information on who gets access to policy makers, how much lobbying takes place, or the policy issues involved.⁶³ But in two states – New South Wales and Queensland – information regarding ministers' meetings, and the purpose of those meetings, is publicly available.⁶⁴ And the data from these states show that some types of interests get a lot more access to senior ministers than others (Box 2 on page 21).

2.1.1 Groups with the most to gain get more access

In NSW and Queensland, most external meetings held by senior ministers were with private businesses or industry peak bodies (62 per cent in NSW and 63 per cent in Queensland). Highly regulated businesses got the most access, particularly in Queensland (Figure 2.2).⁶⁵

The number of meetings with unions was surprisingly low in Queensland, given it has an ALP government. But unions have other channels to influence the ALP, including party conferences

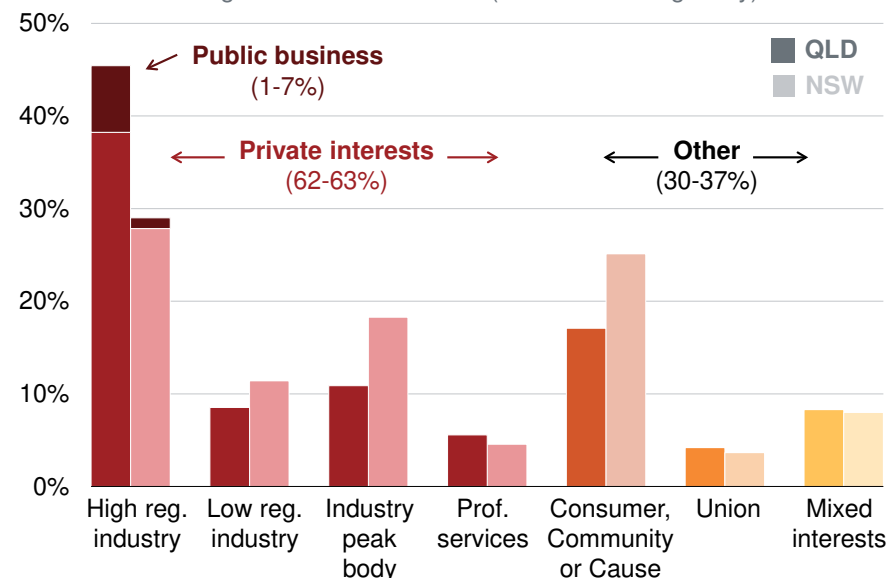
63. PM&C (2018a).

64. Queensland has been publishing ministerial diaries since 2013, NSW since 2014, and in January 2018 the ACT also began publishing ministerial diaries.

65. Over a 15-month period, 800 external meetings were recorded for Queensland's Premier, Deputy Premier and Treasurer. Over a slightly different 15-month period, 500 external meetings were recorded for NSW's Premier, Deputy Premier and Treasurer. Meetings with local government officials were not included, because internal discussions could not be distinguished from lobbying efforts. The Queensland ministerial diaries include a broader range of meetings, such as events and site visits. The period in NSW is from July 2016 to September 2017. The period in Queensland is from January 2017 to March 2018, which includes a state election.

Figure 2.2: Queensland and NSW ministers meet most with highly regulated industries

Per cent of meetings with senior ministers (external meetings only)



Notes: 'Mixed interests' are organisations that have both business and non-profit interests, such as universities, hospitals and schools. The data covers 1246 external meetings. It excludes external meetings with individuals, where the individual has no known connections to any of the industries or interests listed.

Sources: Grattan analysis of Queensland ministerial diaries (Premier, Deputy Premier and Treasurer), January 2017 to March 2018, and NSW ministerial diaries (Premier, Deputy Premier and Treasurer), July 2016 to September 2017 (Queensland Government (2018) and NSW Government (2018)).

and sometimes personal relationships. The ministerial diaries in Queensland and NSW do not record these activities, and the NSW diaries do not record other important forums for influence such as official events, town hall meetings and community functions.

In Queensland, as well as getting more direct meetings with senior ministers, highly regulated businesses also gave more political donations and made more contacts through commercial lobbying firms than other groups (Figure 2.3).

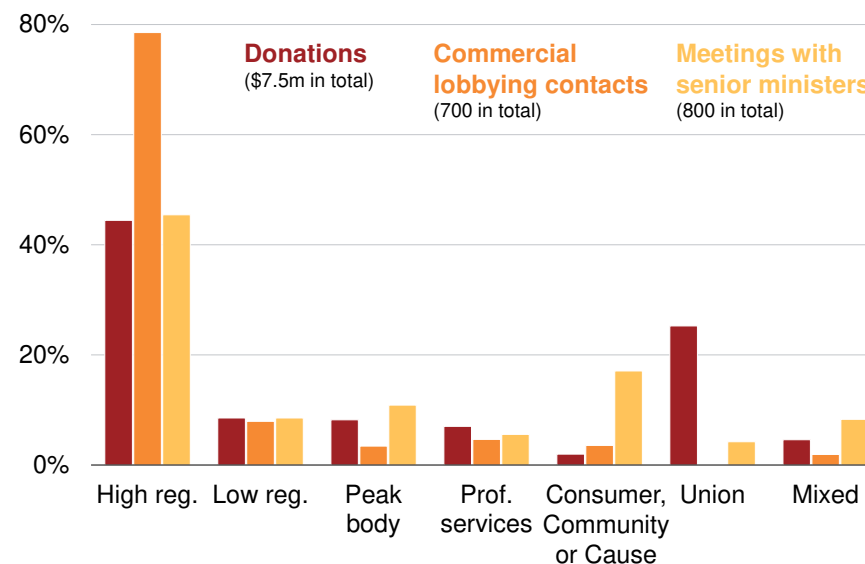
Businesses in highly regulated industries, such as transport, mining, energy, and property construction, all actively seek to influence politicians, although the channels of influence vary by industry. Property developers donate more, whereas mining and energy companies use commercial lobbyists more. The gambling industry punches above its weight on donations, commercial lobbying contacts and meetings with senior ministers (Figure 2.4).

Politicians are not the only target in the influence game. Influencing senior public servants can also matter. But again, much of this lobbying takes place out of public view. Public servants don't publish their diaries and we know little about who they consult with. In a recent survey, Australian federal and state public servants reported more frequent interactions – particularly in relation to 'policy analysis or development' – with 'representatives from industry, professional or community organisations' than with 'representatives from client or consumer groups' or 'members of the general public'.⁶⁶

Highly motivated and well-resourced interests have greater capacity to organise and actively seek access to politicians and public servants. Researchers Bert Fraussen and Darren Halpin find there are a lot more business and professional associations than citizen advocacy groups,

Figure 2.3: Highly regulated industries lobby hardest

Share of external political donations, contacts and meetings in Queensland



Notes: Individuals and unknown entities excluded (individuals represented 13 per cent of major donations and unknown entities less than 1 per cent). All donations declared to April 2018. Lobbying contacts includes only clients that made at least five contacts. Analysis was only conducted for Queensland, where data on commercial lobbying contacts is available.

Sources: ECQ (2018), QIC (2018) and Queensland Government (2018).

66. The 2016 Future of Australia's Federation Survey of nearly 3,000 federal, state, and local government public servants (Levy (2018)).

trade unions or not-for-profits that deliver services but also advocate for community causes.⁶⁷ They were particularly concerned by the lack of voices for less privileged and less well-resourced groups.⁶⁸

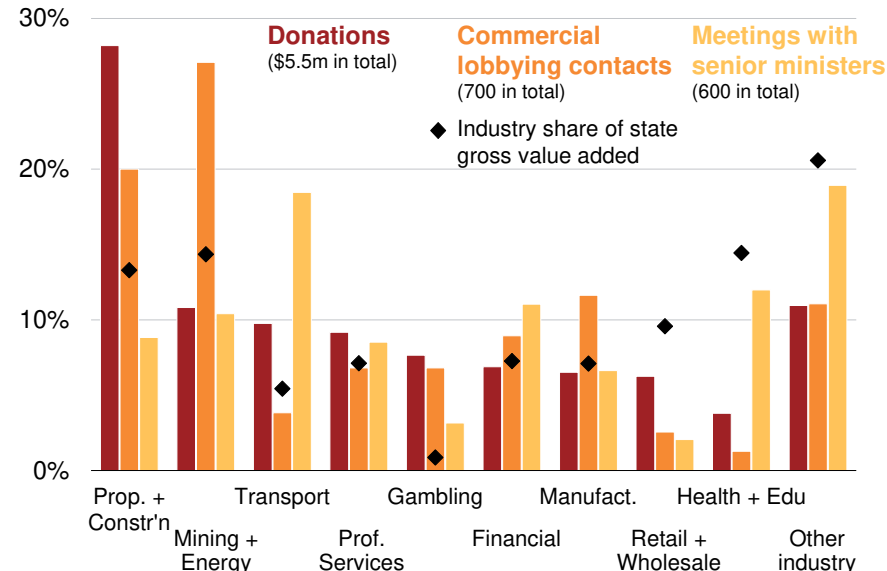
2.2 Relationships matter (and can be bought)

Relationships matter in politics because they affect both the opportunity to influence and the likelihood of influence. Individuals with personal connections are more likely to get time with policy makers and a sympathetic hearing when they do (Box 3). Studies in the US have found lobbyists are paid more for their connections than their expertise, and former government officials have more success in influencing policy than other lobbyists.⁶⁹

Hiring or employing people with the right connections is another way to 'buy' influence.⁷⁰ The 'revolving door' between policy and lobbying roles is a growing feature of the Australian political landscape.

Former government officials make up a large and growing share of commercial lobbyists at the federal level (Figure 2.5).⁷¹ There is a good reason for this: lobbying firms that employ former government officials are more successful at getting meetings with government. In Queensland, there are about 170 registered lobbying firms, but the top

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).

67. Fraussen and Halpin (2016). But they did note that the union sector has considerable organisational capacity.

68. Fraussen and Halpin (ibid.) suggest that hybrid groups, which are more services-oriented than advocacy-oriented, such as St Vincent De Paul, may be the main form of representation for the less-privileged.

69. Bertrand et al. (2011); La Pira and H. F. Thomas (2014); Blanes i Vidal et al. (2012); and Baumgartner et al. (2009).

70. Hiring people with the right connections can help 'outsiders' get a foot in the door. Arguably this enables access for more groups, but this avenue of influence is still only available to those that can afford it.

71. Former government officials includes former federal ministers, assistant ministers, ministerial staff, agency heads, public servants and members of the defence force (PM&C (2018a)).

Box 2: What would balance look like?

There is no clear benchmark for 'balanced' political engagement.^a But to gauge the access and influence of different groups, this report organises data on ministerial meetings and political donations according to three main criteria.

1. What type of interest they represent

Employers, employees and consumers are often on different sides of policy debates, so we compare the access of these different interests. Community groups and single-issue groups may represent another point of view, or may align with the consumer interest on particular issues. We have gathered those representing the interests of consumers, a community, or a specific cause into a 'CCC' category for comparison to the access of more organised employer (business) and employee (union) interests.

2. How likely they are to be seeking policy influence

There is huge diversity within employer, employee and CCC interests. We have separated these groups into sub-categories to differentiate those that are most likely to seek policy influence, such as dedicated advocacy groups and businesses with the most to gain from influencing government decisions. Our categories include:

- Lobbying firms, peak bodies and unions who specialise in advocacy and influence for their clients or members;
- Professional services firms that might be seeking access on behalf of a client or looking to win work themselves;

- Businesses that operate in industries heavily affected by government decisions (high regulation businesses) and those less affected by government regulation (low regulation businesses). Industries defined as high regulation include property development, transport, mining, energy, gambling, defence industries, financial services, telecommunications and media.^b
- Publicly funded organisations and publicly owned businesses that might be reporting on their activities or seeking more funding or regulatory concessions.

3. How important they are in the broader economy

Another benchmark is an industry's contribution to the economy. All else being equal, larger industries would be expected to command more access because they represent a bigger share of employers, employees and consumers. We have classified businesses and other interest groups by industry (where possible) and compared each industry's access against its share of gross value added.

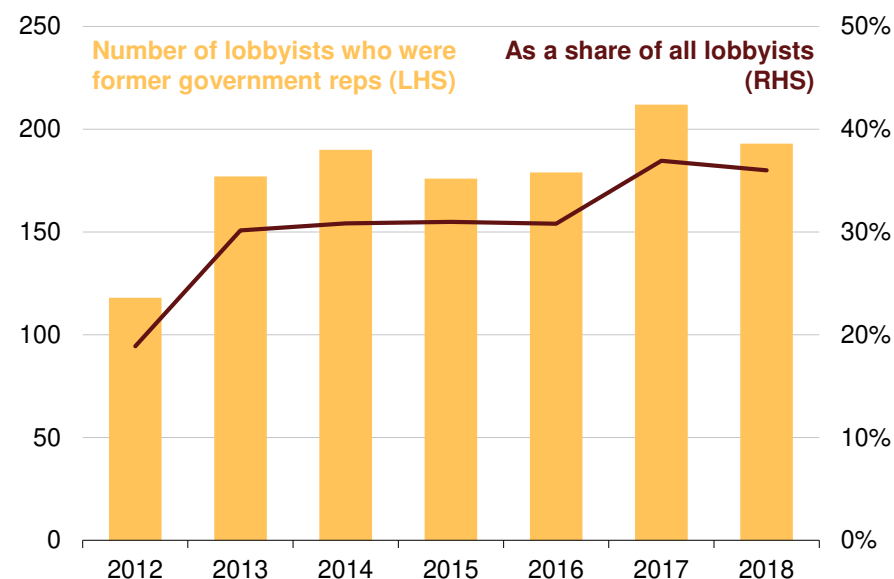
Notes: (a) European Institute for Public Participation (2009); (b) Companies were individually classified based on their main industry and IBISWorld's assessment of the level of regulation and government policy in that industry (heavy, medium or light). Industries classified by IBISWorld as 'heavy' in terms of regulation and government policy we identify as 'high regulation'. Industries classified as 'medium' or 'light' we identify as 'low regulation'. In some cases we made our own assessments; for example, IBISWorld classifies sports clubs as heavily regulated because they must abide by the rules of their governing bodies, but because those governing bodies are not local, state or federal government, we classify sports clubs as 'low regulation' except if gambling is a major part of their business.

10 firms have made 70 per cent of lobbying contacts since 2013. Eight of the top 10 lobbying firms employ former politicians or advisers.⁷² At the federal level, seven out of the top 10 lobbying firms (by number of clients) employ former politicians or advisers.⁷³

Since 1990, around a quarter of former federal ministers or assistant ministers have taken up roles with special interests after political life (Figure 2.6 on page 24).

While ministers are more likely to go from politics to lucrative lobbying roles (a 'golden escalator' rather than a revolving door),⁷⁴ ministerial staff move in both directions. Researchers have documented substantial movement between ministerial offices and lobbying roles in the energy and resources sectors and vice versa.⁷⁵ Such movement 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 (Box 3).⁷⁶

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.

72. Grattan analysis of Queensland's register of lobbying contacts (QIC (2018)). Queensland is the only state that publishes lobbying contacts.

73. While the firms with former government officials are more active, there doesn't appear to be much difference in the distribution of clients, by type of interest or by industry, between lobbying firms that include former government officials and those that don't (Grattan analysis of 1848 clients on the federal lobby register (PM&C (2018a)) as at April 2018).

74. A. Lucas (2018).

75. A. Lucas (2018); and A. Lucas and Holland (2018).

76. La Pira and H. F. Thomas (2014). Transparency International Australia documents several examples of 'mateship' between politicians and mining industry executives being used as a justification for misconduct or corruption (Transparency International Australia (2017)).

Box 3: Who you know matters more than what you know

'There are three important things to know about lobbying: contacts, contacts, contacts.'^a

Studies in the US have shown that political connections make a big difference in the lobbying industry.^b Lobbyists switch issues as the politicians they are connected to move to new portfolios.^c Lobbyists with connections to a senator lose 24 per cent of their revenue, on average, when that senator leaves office.^d And lobbyists get more revenue when the party they are aligned with is in power.^e

In Australia, the fortunes of two of the biggest lobbying firms also rise and fall with particular political parties. In 2012, when Labor was in office, the ALP-aligned lobbying firm Hawker Britton was Australia's largest (by number of clients).^f In 2018, with the Coalition in office, it had fallen to eighth, and the Coalition-aligned Barton Deakin had become the top lobbying firm.^g

Senior lobbyists in Washington, London and Brussels have said in interviews that "it is all about who you know", and identify one-on-one relationships as a key to getting the job done.^h

It's human nature that we're more likely to listen to those we know and like. Establishing credibility is critical to persuasion, and existing relationships help clear that initial barrier.ⁱ Psychological studies show that interpersonal concerns and emotions affect decision making.^j

Notes: (a) McGrath (2006); (b) McGrath (2006), Baumgartner et al. (2009), Blanes i Vidal et al. (2012) and La Pira and H. F. Thomas (2014); (c) Bertrand et al. (2011); (d) Blanes i Vidal et al. (2012); (e) Bertrand et al. (2011); (f) Halpin and Warhurst (2015); (g) Grattan analysis of PM&C (2018a); (h) McGrath (2006); (i) Conger (1998); (j) e.g. Loewenstein et al. (1989) and Clore and Huntsinger (2007).

Case study: Adani leverages relationships

Mining company Adani has been particularly active in using lobbyists with the right connections. Adani hired former Queensland ALP State Secretary Cameron Milner to lead its lobbying of the Queensland ALP Government.^k Between 2015 and 2017, Milner's lobbying firm made 33 contacts with government officials, more than any other firm on behalf of any other client. Six out of ten of the Premier's personal meetings with lobbyists were with Adani's lobbyists, and at least three of these included Milner.^l

Adani has also been lobbying federal politicians through a firm with powerful connections on both sides of politics. The firm is led by former Queensland ALP Treasurer Damien Power and former Queensland Nationals Premier Rob Borbidge.^m

After Adani's extraordinary level of access to senior policy makers, it won policy concessions for its proposed Carmichael mine, including deferment of mining royalties, compulsory acquisition of land, and a 'critical infrastructure' declaration.ⁿ The federal government considered a \$900 million loan for a rail line to the mine, but it was vetoed by the Queensland Government after controversy arose about the extent of the Premier's dealings with Adani.^o The state and federal governments are, however, still considering other ways to support the mine.^p

Notes: (k) Long (2017a); (l) Grattan analysis of QIC (2018); (m) PM&C (2018b); (n) Long (2017a); (o) Robertson (2017); (p) Hasham (2018).

2.3 Hospitality and travel: gifts that buy access

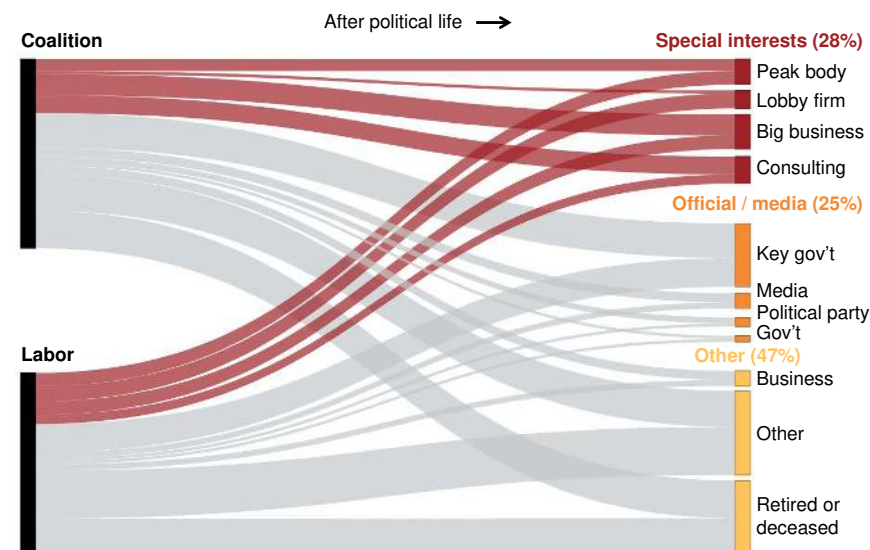
Politicians meet in a variety of places with a variety of people pushing particular views. It's part of their job. But it can be a slippery slope from meetings in the office, to meetings over lunch (who pays?) to hospitality in corporate boxes at sporting events and sponsored international travel.

Sponsored hospitality is another way well-resourced interests can get more access to decision makers. Events and travel offer a more relaxed and less time-constrained setting to build relationships.

Federal politicians have accepted at least 55 corporate-sponsored overseas trips since 2010, according to analysis by the Australian Strategic Policy Institute of politicians' disclosures.⁷⁷ About 68 per cent of federal ministers and shadow ministers have declared corporate-sponsored hospitality (events or travel)⁷⁸ and 7 per cent have accepted overseas trips sponsored by a foreign government or agency.⁷⁹ Such hospitality can create an actual or perceived conflict of interest. And gifts and benefits can make favoured treatment more likely.⁸⁰

There are some rules for federal ministers designed to reduce conflicts of interest, but not for other MPs. The Ministerial Standards require that ministers "do not come under any financial or other obligation to individuals or organisations to the extent that they may appear to be influenced improperly in the performance of their official duties". But

Figure 2.6: A quarter of federal ministers or assistant ministers take on roles with special interests after politics



Notes: Includes 191 people who were either federal ministers or assistant ministers and left politics in the 1990s or later. Some have had more than one role since. 'Big business' is Top 2000 Australian firms by revenue in 2016.

Source: Grattan analysis of Parlinfo.aph.gov.au (2018), LinkedIn (2018), Wikipedia (2018), news articles and various internet sources.

77. Clarence (2018).

78. Ministers, assistant ministers, shadow ministers and shadow assistant ministers declared 242 instances of sponsored events and travel, at an average of 2.7 each.

79. Grattan analysis of all ministers', assistant ministers', shadow ministers' and shadow assistant ministers' declarations, as at August 2018 (Registrar of Members' Interests (2018) and Senate Standing Committee of Senators' Interests (2018)).

80. Axelrod (1986); and Malmendier and Schmidt (2017).

ministers are still allowed to accept “customary official gifts, hospitality, tokens of appreciation, and similar formal gestures”.⁸¹

The Queensland code of conduct is stricter: it specifies that ministers should not accept sponsored hospitality.⁸² Yet senior ministers in Queensland attended sports events with corporate interests on at least 15 occasions in 2017.⁸³ This is not necessarily a breach of the code – they may have paid their own way, for example – but clearly this approach to relationship-building and influence is commonplace, and has the potential to create conflicts of interest.

2.4 Access can lead to undue influence

When certain interests get a lot more access to decision makers, there is a risk that policy gets skewed in their favour. Our analysis shows that highly regulated businesses have the most meetings with senior politicians, make the most use of commercial lobbyists and, as the next chapter shows, are also disproportionately large donors. Many of these businesses have the resources to hire former politicians and advisers, and to woo politicians through hospitality. And unions are significant donors and have substantial avenues of influence in the ALP, including outside of formal meetings.

When access skews heavily towards a narrow range of interests, policy makers may end up with a narrow perspective (Chapter 1). Some perspectives are conspicuously under-represented, such as broad constituencies that are difficult to organise (e.g. consumers and young people) and disadvantaged groups that lack the capacity to engage with policy processes (Chapter 4).⁸⁴

81. Australian Government (2018b).

82. Queensland Government (2016).

83. Grattan analysis of published diaries of the Premier, Deputy Premier and Treasurer (Queensland Government (2018)). Queensland is the only state that publishes events attended.

84. Schlozman et al. (2012); Fraussen and Halpin (2016); and Head (2007).

Disparity in access is a concern if it translates into policy decisions that benefit the few at the expense of the many. Government procurement decisions can be lucrative targets for special interest influence, so they are usually subject to strict rules. Yet there are still examples where those with relationships and disproportionate access appear to have extracted ‘special deals’:

- James Packer’s unsolicited proposal for a new Sydney casino was accepted without a competitive tender process,⁸⁵ influenced its own tax rate and achieved an exemption from smoke-free laws.⁸⁶ The site was also carved out of the CBD ‘lockout law’ zone.⁸⁷ Packer personally pitched the project to NSW Premier Barry O’Farrell – and just a week after the meeting (and two weeks before Packer formally lodged his proposal) a requirement for independent evaluation of unsolicited proposals was removed.⁸⁸
- The Catholic schools lobby, unhappy with the federal Coalition government’s proposed move to a sector-neutral, needs-based school funding formula, received a pledge of an additional \$250 million from Labor.⁸⁹ This coincided with the 2018 Batman by-election, and the lobby threw its weight behind Labor in the by-election.⁹⁰
- The private toll road operator Transurban has successfully pitched five major infrastructure projects to state governments via

85. There was a late counter-bid by Star Casino, considered by an independent steering committee, but no formal tender process (Glennell and Lehmann (2013) and Saulwick (2013)).

86. Saulwick (2013); Markham and M. Young (2015); and Patrick (2016).

87. Bradley (2016).

88. Independent evaluation had previously been required before an unsolicited proposal could proceed without a tender process (Nicholls (2012)).

89. McGowan (2018).

90. Benson (2018).

unsolicited proposals, risking poorer outcomes for taxpayers and drivers compared to a competitive tender process.⁹¹

In other cases, special interests effectively have **'a seat at the table'** when it comes to policy design in their sector:

- The pharmaceuticals industry has substantial influence over government pricing arrangements for medicines, including the technical details of how prices are determined. The effect of the pricing regime is that prices are higher than in comparable countries, and Australian taxpayers and consumers pay more than they should.⁹²
- Affiliated unions have substantial influence in the ALP. Some of this is out in the open (such as voting rights at state and national conferences), but some is quite opaque (such as back-room deals to secure pre-selection of candidates). A problem arises when union influence over party policy appears to protect the interests of union officials at the expense of workers and the general public. For example, Labor opposes having more independent directors on the boards of superannuation funds despite it being a recommendation of three independent inquirers. The change would reduce the power of unions to choose directors for industry funds.⁹³

Special interests also commonly focus their lobbying efforts on **blocking reforms that have broad support**:

- In 2007, both major parties went to the federal election with plans to introduce an emissions trading scheme to help combat climate change. But the policy consensus was quickly derailed

– partly because of political ideology and manoeuvring and partly by aggressive lobbying to expand industry compensation arrangements and a public advertising campaign.⁹⁴ No government since has been able to deliver an effective and durable policy to address climate change.

- Intense lobbying by the beverages industry has so far kept a sugar-sweetened beverages tax at bay, despite good public health arguments and the support of the general public.⁹⁵
- Clubs and hotels have aggressively and successfully rallied against poker machine reforms to reduce problem gambling. The main lobby groups used a combination of lobbying, keenly timed political donations (Chapter 3) and public campaigns to dissuade governments from implementing reforms such as mandatory pre-commitment.

Appendix A details these examples. None of them suggest outright corruption or that buying off special interest groups was the only political factor at play. But they do indicate that policy with limited merit and little public support can nevertheless prevail if motivated and well-resourced groups support it.

2.5 Existing checks and balances are weak

The checks and balances on lobbying activity in Australia are weak. Existing instruments such as registration of lobbyists and codes of conduct are ineffective because they apply selectively and are not enforced. There is barely any public information about contact between lobbyists and officials at the federal level.

The only real restriction on lobbying activity is the undertaking by ministers, ministerial advisers, and senior public servants not to lobby

91. C. Lucas (2017a); C. Lucas (2017b); and Ludlow and Wiggins (2018).

92. Duckett et al. (2013); and PC (2015).

93. Mather and Coorey (2018); and Minifie (2015).

94. Pezzey et al. (2010); T. Wood and Edis (2011); and Lane (2011).

95. WHO (2015); Duckett et al. (2016); and Essential (2018).

within 12-18 months of leaving office.⁹⁶ This is important because of the privileged information they have access to, and the risk that a minister might make decisions in office with future career prospects in mind. But the waiting period is only an administrative obligation, it applies narrowly (Table 2.1), and there is no penalty for a breach.

There are also gaps in the checks on public officials. In democratic societies, codes of conduct are widely considered to be the norm for public officials.⁹⁷ Yet our federal parliament has no such code, and about a third of the Commonwealth workforce is not covered by either the Australian Public Service code of conduct or an authority that investigates misconduct.⁹⁸

2.5.1 Checks on lobbying activity

All Australian states and the Commonwealth Government have lobbying codes of conduct and maintain registers of lobbyists. At the federal level, these were introduced “to ensure that contact between lobbyists and Commonwealth Government representatives is conducted in accordance with public expectations of transparency, integrity and honesty”.⁹⁹ But in their current form, these instruments do not fulfil that objective. They apply only to a narrow subset of lobbyists and largely go unpoliced.

Only ‘third party’ lobbyists are captured by the register and the code. Many large companies and interest groups have in-house public affairs and government relations personnel who are not required to register. Peak bodies, such as the Business Council of Australia, and campaign organisations, such as *GetUp!*, are not required to register either. Nor

are unions. As Figure 2.6 shows, more former ministers take up roles as in-house lobbyists than in commercial lobbying firms.¹⁰⁰

Third party lobbyists who are not registered are not supposed to lobby. But the onus is on government representatives to identify lobbyists, check they are registered, and report any breaches to the relevant department.¹⁰¹ This is a stretch for busy politicians and their offices, and if they do report breaches and the department follows them up, then the penalty is laughable: deregistration.¹⁰²

Many lobbyists walk the corridors of Parliament House unregistered, either because they fall outside the narrow subset required to register, because they never bothered to register, or because they have been deregistered. The number of sponsored security passes for access to Parliament House gives a sense of the scale of ‘invisible’ lobbying activity:¹⁰³ there are more than three times as many passes as there are individuals on the lobbyists register.¹⁰⁴

The lobbying register provides (limited) information about who lobbies but nothing about who is being lobbied, how frequently, or on what issues. The Australian National Audit Office found that the lobby register “does not, on its own, provide transparency into the integrity of the contact between lobbyists and government representatives or the matters discussed”.¹⁰⁵

96. 18 months for ministers (Australian Government (2018b)) and 12 months for advisers and senior public servants (Australian Government (2018a)).

97. House of Representatives Standing Committee (2011, pp. 23–24).

98. Brown et al. (2018).

99. PM&C (2018a).

100. Tham (2010, p. 248) makes a similar observation.

101. The Department of Prime Minister and Cabinet has been responsible since 2008, but responsibility recently shifted to the Attorney-General's Department.

102. Easton (2018a); and Special Minister Of State (2018).

103. Sponsored security passes grant unescorted access to secure areas of Parliament House to people who need ‘significant and regular business access’. Jacqui Lambie argues that if your job requires this level of access to politicians, then what you are doing should be considered lobbying and you should be required to register as a lobbyist (Lambie (2017a)), Chapter 5.

104. As at 31 July 2018, there were 1,755 sponsored security passes, compared to 500 lobbyists on the register.

105. Easton (2018a).

Regulation of lobbying activity in Australia is considered weak among OECD countries¹⁰⁶ and in other international rankings (Figure 2.7).¹⁰⁷ Australia appears to be particularly behind in visibility of contact between lobbyists and government officials, and in enforcement (Figure 2.8).

NSW, Queensland and the ACT make lobbying more transparent by publishing ministerial diaries.¹⁰⁸ The diaries provide some insights but are not searchable, and rarely identify the policy issues discussed.

2.5.2 'Revolving door' ban

Most OECD countries don't restrict senior policy makers moving to lobbying roles, so Australia appears to be ahead of the game in this area.¹⁰⁹ But given the restrictions are not enforced, this is a win on paper only.

When someone becomes a federal minister in Australia, they must commit to waiting at least 18 months after their ministerial duties cease before lobbying on any issue they were officially involved with in their final 18 months in office. Table 2.1 highlights examples of Ministers moving into special interest roles soon after leaving office which likely do not breach the current code but which nonetheless may raise concerns.

The Ministerial Standards are merely administrative – former ministers who move straight into a lobbying position are breaking the rules, not the law, and the only sanction is loss of ministerial duties, which is

106. OECD (2014).

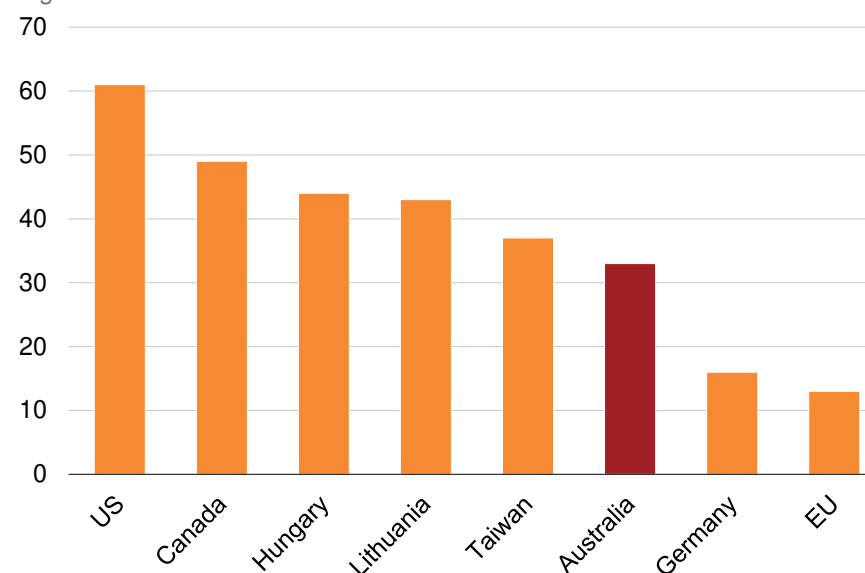
107. Hogan et al. (2011).

108. Queensland (since January 2013), NSW (since July 2014), and the ACT (since January 2018). But the NSW diaries only cover a narrow range of meetings; they miss events and other official engagements where lobbying might take place.

109. OECD (Vol.3 2014, p. 74).

Figure 2.7: Australia's lobbying regulation is not particularly robust by international standards

Centre for Public Integrity's index for assessing the strength of lobbying regulations



Notes: The index is built from 48 survey questions on lobbying disclosure rules. The index methodology was developed by the US Centre for Public Integrity and was applied to lobbying regulation in various countries by Chari et al. (2010). This chart reports their findings. The implications for Australia are further summarised in Hogan et al. (2011).

Sources: Chari et al. (2010) and Hogan et al. (2011).

of little consequence to a former minister.¹¹⁰ The revolving door ban appears to be toothless in practice.

Ministerial advisers and senior public servants are also subject to a revolving door ban for a period of 12 months.¹¹¹ But again, if a breach is reported and established, the sanction is merely deregistration. The successful French bid to supply Australia with a new fleet of submarines was led by the former Chief of Staff to the Defence Minister, who left his position in January 2015 and joined the French bid four months later.¹¹² There was no sanction.

2.5.3 Conclusion

Special interests with much to gain or lose from policy outcomes will always look for opportunities to put their case and attempt to influence decision makers. Lobbying regulations are supposed to shine light on their influence to ensure that other groups, the media and parliament can provide a counter-balance. But Australia's existing rules on lobbying activity are weak and provide little comfort to anyone concerned about undue influence over policy. Chapter 5 sets out some proposals to improve the regulation of lobbying.

Figure 2.8: Australia is behind Canada, the UK and the US in the transparency and accountability of lobbying activity

	Canada	UK	US	Australia
Lobbying regime	Law	Law for lobbyist register	Law	Administrative
Code of conduct	Yes	Industry code(s)	No	Yes
Lobbyists covered	Third party and in-house	Third party	Third party and in-house	Third party
Revolving door bans	Yes (5 years)	Yes	Yes	Yes (18 months)
Administrative responsibility	Commissioner of Lobbying (independent)	Registrar appointed by govt, funded by registration fees	Secretary of the Senate and Clerk of the House of Reps	Attorney-General's Dept / PM&C
Sanctions	Fines, prison	Fines	Fines, prison	Deregistration
Meetings with lobbyists	Register contains details of those lobbied and subject matter, updated monthly	Details of ministerial meetings published on departmental websites	Lobbyists report quarterly on their activities for each client, including details of the subject matter	Only NSW, QLD and ACT publish meetings

Source: Adapted from McKeown (2014).

110. Take one example: Bruce Billson accepted a lobbying role within six months of retiring as minister, but while still a sitting MP. He was censured by parliament for failing to declare his new paid employment – but not for accepting the paid employment in the first place, nor for breaching the revolving door ban. Billson's offence was not even deemed worthy of a \$5,000 fine (Fantin (2018)).

111. Australian Government (2018a, section 7.2).

112. McPhedran (2015).

Table 2.1: Many former ministers have moved into special interest roles but usually do not breach the letter of the code

Name	Retirement	Interest group	<18 months?	Justification
Ian Macfarlane, Industry Minister	Sep 2015	Queensland Resources Council	Yes – appointed Sep 2016	Peak bodies not required to register as lobbyists ^a
Bruce Billson, Small Business Minister	Sep 2015 (minister); May 2016 (parliament)	Franchise Council of Australia	Yes – appointed Mar 2016 while still in parliament	Payments in office 'commonplace and acceptable'; ^b Peak bodies not required to register as lobbyists
Andrew Robb, Trade Minister	Feb 2016	Landbridge Group (Chinese multinational)	Yes – appointed Jul 2016	'Broad portfolio', "must be careful he isn't prohibited completely from work"; ^c in-house lobbyists not required to register
Martin Ferguson, Resources Minister	Mar 2013	APPEA (oil and gas peak body)	Yes – appointed Oct 2013 ^d	Peak bodies not required to register as lobbyists
Mark Arbib, Small Business Minister	Mar 2012	Consolidated Press Holdings (Packer)	Yes – appointed Jun 2012 ^e	In-house lobbyists not required to register
Nick Sherry, Small Business Minister	Dec 2011	Citi (financial services multinational)	Yes – joined in Oct 2012 ^f	In-house lobbyists not required to register
<i>Examples outside the 18-month window</i>				
Stephen Conroy, Minister for Communications	Jul 2013 (Minister); Sep 2016 (parliament)	Responsible Wagering Australia (gambling peak body)	No – appointed Nov 2016	Revolving door ban only applies to ministers, not those retiring in opposition
Simon Crean, Minister for Regional Australia	Mar 2013	Australian Livestock Exporters Council	No – appointed Oct 2014	Waited 18-months

Notes: Restrictions on the post-separation employment of ministers were first introduced in December 2007. The 'retirement' date is retirement from ministerial duties unless otherwise specified. (a) Henderson and Bradfield (2016); (b) Long (2017b); (c) Belot (2017b); (d) Manning (2014); (e) Nicholls and Feneley (2012); (f) Sherry (2018). This table has been updated from the original release of this report.

Source: Grattan analysis.

3 The money problem in Australian politics

Australian politics has a money problem. Political parties received \$43 million in declared donations at the 2016 federal election. These donations were remarkably concentrated – just 5 per cent of donors contributed more than 50 per cent of donated funds. And the lion's share of donations came from donors with the most to gain from government policy decisions.

Political donations give well-resourced groups more face-time with our politicians. Donations build relationships and a sense of reciprocity. Explicit quid pro quo is probably rare: 'you never bribe someone when you need them', as the saying goes. But given how often industries in the crosshairs of a policy debate make large donations – and then stop donating after the policy battle is won – it seems that some donors believe, perhaps rightly, that money can influence policy.

Commonwealth regulation of political donations is weak. There is a lot of 'hidden' money in the Australian political system. Forty per cent of the money received by political parties at the last election had no identifiable source. Donations are not made public until long after they are made, and there are few sanctions when political parties or donors don't follow the rules. Stronger legislation in some states can be circumvented through looser regulations at the federal level.

More needs to be done to ensure that money does not corrupt our public debate.

3.1 Donations play an important role in Australia's political system...

Some commentators suggest private money has no place in politics.¹¹³ But banning donations altogether is neither possible nor desirable.

113. Caldwell (2016); Steketee (2017); and McDermott et al. (2016).

Political donations are protected under the Constitution's implied freedom of political communication,¹¹⁴ so a blanket ban would almost certainly be struck down by the High Court (Box 4).¹¹⁵

Political donations can contribute to a healthy democracy. Private funds make it easier for smaller parties to contest elections. And the fundraising process can make politicians more accountable to their constituents.¹¹⁶

Private funding is particularly important during election campaigns, which are expensive in Australia (Section 3.3). Federal and state governments, via the Australian Electoral Commission (AEC) and state electoral commissions, reimburse parties for some of their campaign expenditure. However, this is usually paid *after* the election. To bridge the gap, parties rely on loans and private money, including donations, to fund campaign costs.

But just because political donations can be beneficial doesn't mean the current donations regime is working. Lax controls, regulatory loopholes and a lack of transparency have left our political system vulnerable to undue influence.

114. The Constitution prescribes a system of representative democracy for our federal government (*Commonwealth of Australia Constitution Act* (1900, s 7, 24, 128)). By implication, the Constitution contains a freedom of political communication because public discussion is deemed necessary for people to make reasoned political choices (*Nationwide News Pty Ltd v Wills* (1992 108 ALR 681, 704)).

115. Schott et al. (2014).

116. Ibid.

3.2 ...but without proper regulation, there is a risk donations can 'buy' policy

Political donations cause problems if they encourage policy makers to put the interests of donors ahead of others. When money can buy political access and influence, there is a greater risk of crony capitalism and government run for the few and not the many.¹¹⁷

Corruption and bribery are illegal¹¹⁸ and rare in Australia's political system. Only one federal MP has ever been jailed for corruption offences.¹¹⁹ But a focus on outright corruption is a distraction from other ways political donations can serve well-resourced groups at the expense of the national interest.¹²⁰ Donations may distort policymaking even when the link between money and outcomes is indirect.¹²¹

Donations can directly or indirectly buy access to politicians. And access matters: it's human nature for people to be persuaded by arguments put to them by people they know.¹²² If one side of a policy debate gets disproportionate access, their views will often be given disproportionate weight (Chapter 2).¹²³ Professor Joo-Cheong Tham

117. Crony capitalism, where an individual's success in business depends on maintaining a close relationship with government officials, encourages rent-seeking (Chapter 1), thereby slowing economic growth (Abdel Fadil (2013), Acemoglu and Robinson (2012) and Haber (2002)). Cronyism also generates economic inequality by allowing privileged asset-holders to earn rents, usually at the expense of everyone else (Haber (2002, p. xvi)).

118. Illegal corruption requires establishing a direct link between a financial contribution and a specific outcome as well as a corrupt or dishonest motive, which is a high bar (Tham (2010, p. 73)).

119. Andrew Theophanous. Tham (ibid., p. 71).

120. Ibid.

121. Ibid. (p. 75).

122. As shown by the use of celebrities in advertising, e.g. Petty et al. (1983)). Donations to a party can signal shared values, which is important to persuasion too (e.g. Nelson and Garst (2005)). Box 3 on page 23 discusses the importance of relationships in lobbying.

123. Powell (2012, p. 2).

Box 4: Political donations are protected by the Constitution's implied freedom of political communication

Political donations provide resources for political activity and advertising, and therefore restrictions on donations indirectly impinge on the Constitution's implied freedom of political communication.^a As a result, there are limits on how political donations can be regulated.

The High Court has ruled that restrictions on political donations are valid only if they are compatible with representative democracy, and if they are reasonably appropriate and adapted to their stated purpose.^b To determine whether a law is valid under the Constitution, the High Court considers whether it is suitable, necessary and 'adequate in its balance'.^c The Court would be likely to view full public funding – equivalent to a ban on political donations – as unnecessary to protect representative democracy.^d But other, less extreme, measures such as donations caps have been ruled as constitutionally valid.^e

a. *Unions NSW v New South Wales* (2013) 252 CLR 530, 554.

b. *McCloy v New South Wales* (2015).

c. *McCloy v New South Wales* (2015), 194-195.

d. Schott et al. (2014). Chapter 5.

e. For instance, in *McCloy v New South Wales* (2015) the Court found that donations caps and bans on donations from property developers were valid because the provisions "in fact enhance the system of representative government" (178, 194). But in *Unions NSW v New South Wales* (2013), the Court found that provisions to restrict potential donors to those people on the electoral roll were invalid, because there was no accepted reason why a donation from an organisation was more conducive to corruption than a donation from an individual (*Unions NSW*, 557).

has argued that putting a price on access not only illegitimately empowers those who can afford to pay for it, but also illegitimately disempowers those who can't.¹²⁴

The link between access and influence can be compounded by a sense of reciprocity.¹²⁵ Sociologist Alvin Gouldner (1960) established that there is an almost universal tendency to respond to a gift or positive action with a positive action in return.¹²⁶ Donations, especially large ones, may trigger this natural desire to 'give back' or be helpful – even without any dishonest motive. Regular interactions between donors and politicians build relationships and a sense of obligation.¹²⁷

Ultimately the risk is that donations introduce a conflict between the financial interests of political parties, and their assessment of the national interest.¹²⁸ If donations undermine merit-based decision-making, they corrode representative democracy.¹²⁹

International evidence linking political donations to companies' returns is mixed (Box 5). But given the measurement difficulties – it is particularly hard to quantify the benefits to an interest group when an unfavourable policy is taken off the table – this is little comfort. We

124. Tham (2010, p. 86).

125. Justice Stephen Gageler AC cited evidence that “the basic human tendency towards reciprocity means that payments all too readily tend to result in favours” in his judgement on *McCloy v New South Wales* (2015 257 CLR 175).

126. Gouldner (1960). See also Berg et al. (1995), Fehr and Gächter (2000), Komter (2007) and Schwartz (1967).

127. McMenamin (2013); Muller (2017a); and Tham (2010).

128. Powell (2012).

129. Tham (2010, p. 86). In a joint judgement on *McCloy v NSW* (2015, 36), four High Court judges cited a 2003 ruling to suggest there are different forms of corruption aside from explicit quid pro quo exchange. The judges held that another “more subtle” form of corruption arises from “the danger that officeholders will decide issues not on the merits or the desires of their constituencies, but according to the wishes of those who have made large financial contributions valued by the officeholder”.

should still be concerned if political donations are an effective tool of influence only *sometimes*.¹³⁰

3.3 The campaign finance ‘triad’

There's a lot of money involved in Australian federal elections. Political parties received more than \$185 million in the lead-up to the 2016 federal election, and another \$208 million in the following financial year (which included the final days of the election campaign).¹³¹ Parties collectively spent \$368 million over the two financial years spanning the election.¹³²

Election funding comes from three sources (Figure 3.1). About a third of party receipts are government funding, distributed by the AEC and

130. Like other tools of influence, donations are more likely to be more influential when the public is less engaged in the policy debate, such as when the policy area is technical, or the losers from the policy change are diffuse (Chapter 1).

131. Including intra-party receipts, tax returns and non-electoral funding from public bodies e.g. Dept of Finance (Grattan analysis of party declarations to the AEC 2015-16 and 2016-17). The 2016 election was held on Saturday 2 July, so campaign income and expenditure bridge two financial years. Public funding for the 2016 election campaign appears in parties' 2016-17 annual returns, as do large private donations that were clearly intended to support their 2016 federal election campaign (Gartrell and Bagshaw (2018)).

132. Party declarations to the AEC 2015-16 and 2016-17 (AEC (2018a)). Parties spent \$155 million in 2015-16 and \$213 million in 2016-17. Not all reported expenditure was campaign related – parties are not required to separate ongoing costs from campaign expenses. Nevertheless, election expenditure seems high in Australia compared to most countries. Australian political parties spent more than those in the UK (AU\$66 million in 2017), Canada (AU\$126 million in 2015), and New Zealand (AU\$11 million in 2017). But Australian party expenditure was a drop in the ocean compared to US Presidential elections (AU\$8.7 billion in 2016) (Elections Canada (2018a), Elections NZ (2018), Sultan (2017) and UK Electoral Commission (2018a)).

state electoral commissions.¹³³ Public funding in Australia is neither high nor low by international standards (Figure 3.2).

A quarter comes from known private sources: declared donations and 'other receipts' from private sources.¹³⁴ Donations are a 'gift', a transfer of money or property that is not given in exchange for something of equal value. 'Other receipts' include income from investments and loans, but also payments for a service, such as fundraising dinners.¹³⁵

The remaining 40 per cent is money from sources we know nothing about.¹³⁶ A lot of this is likely to be donations below the disclosure threshold. Some of these will be from 'mum and dad' donors who give small amounts to support a political cause. But some is probably 'donation splitting'¹³⁷ – where donors make multiple payments below the threshold – which the parties don't need to disclose.¹³⁸ If this

133. \$63 million in federal public funding flowed to parties via the AEC for the 2016 election campaign. The parties also declared \$52 million from state electoral commissions on their federal receipts in 2015-16 and 2016-17.

134. \$94 million in the two financial years around the 2016 federal election.

135. B. Keane (2016). Parties often declare income from the ATO, the Department of Finance, electoral commissions and other public sources as an 'other receipt', which adds to the opacity of the disclosure system. We have removed this income from our calculation of parties' private receipts.

136. Parties received \$91 million in non-itemised funding in the lead-up to the election, and \$63 million in the following financial year.

137. B. Edwards (2018).

138. AEC (2018c, Attachment 1). Donors are required to aggregate their own donations and declare them separately to the AEC if they reach the disclosure threshold. However, inconsistencies in donor declarations and party declarations make collating the two sources difficult. Donor declarations rely on donors knowing their obligations, and some clearly do not: a study by the ABC found donors failed to declare nearly \$1.3 million in donations listed on party declarations as well as 80 instances where donors declared their payment as a donation, but the parties listed it as an 'other receipt' or subscription (McGhee (2016)). Donors are not required to declare 'other receipts', so we rely on party declarations for information about income from fundraising dinners or membership fora.

Box 5: Why donate to political parties?

The international evidence on corporate donations and firm performance is mixed. A major study of firms in the United States found companies that make large political contributions have *lower* returns than firms that don't.^a Studies in the United Kingdom show that corporate political donations fell when shareholders were given more say on corporate political activity.^b A meta-analysis of studies on donations and votes cast by members of the US Congress found evidence of donor influence is "thin".^c

Other research suggests it is difficult to trace the link between private money and political outcomes, because the inputs and outcomes are hard to measure. For instance, it may be possible for donors to prevent unfavourable proposals from becoming policy, in which case the full impact of contributions is difficult for researchers to quantify (Appendix A details examples of this).^d

Studies that look at broader policy outcomes tend to find more evidence of donor influence, especially when donations are coupled with access and lobbying.^e If money does talk in politics, it does so "softly and subtly".^f

a. Aggarwal et al. (2012). Hadani and Schuler (2013) came to a similar conclusion, but not for firms in regulated industries – their market performance improves.

b. Pender (2016).

c. Ansolabehere et al. (2003).

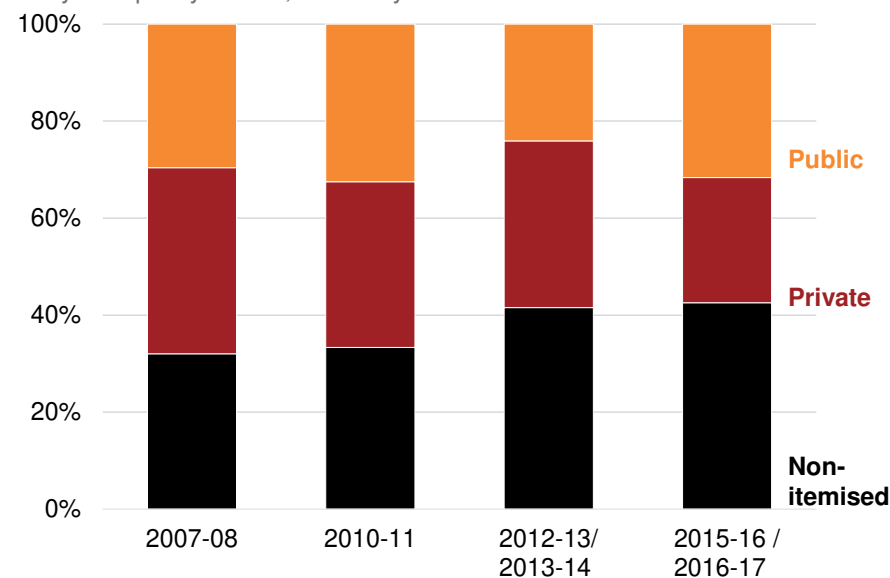
d. Powell (2012).

e. Smith (2015). Policy outcomes studied include government contracts to contributing firms (Witko (2011) and Zullo (2006)), taxation policy (Chirinko and Wilson (2010)), industry subsidies (Liebman and Reynolds (2006) and Lopez (2003)), regulatory outcomes (De Figueiredo and G. Edwards (2007)), and political favours (Claessens et al. (2008)). A survey of US legislators found campaign contributions *do* influence policy (Powell (2012)).

f. McMenamin (2013).

Figure 3.1: Public funding makes up 30 per cent of election campaign funding

Party receipts by source, election years

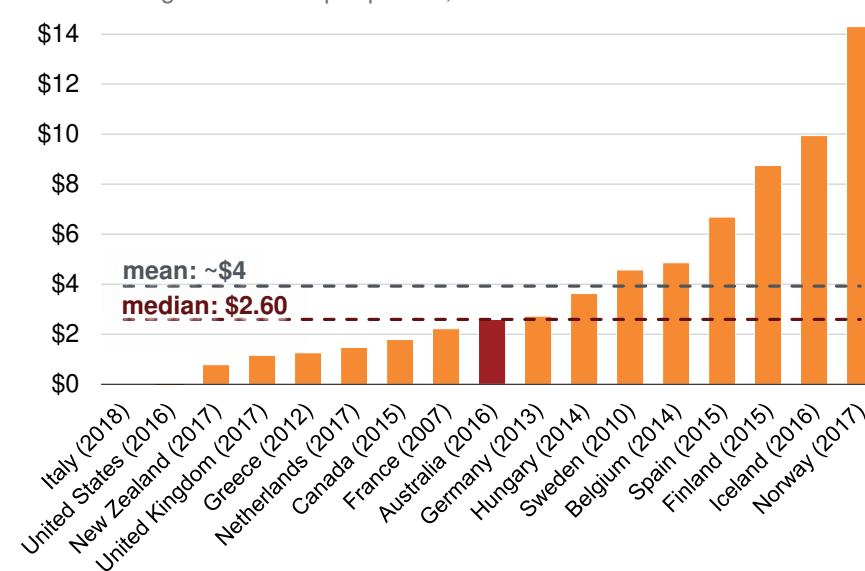


Notes: 'Public' money includes both state and federal government funding declared by parties to the AEC. It is not clear how much of state funding went towards the federal election campaign. Tax returns and non-electoral funding from public bodies (e.g. Dept of Finance) are excluded. Itemised payments from different branches of the same party are excluded. 'Non-itemised' receipts are the difference between total party receipts and all itemised receipts. Under the unlikely assumption that all non-itemised funding came from non-itemised party-to-party payments, public funding would still make up less than 50 per cent of party receipts. We combine data for election campaigns that spanned two financial years.

Source: Grattan analysis of party declarations to the AEC 2007-08, 2010-11, 2012-13 and 2013-14, and 2015-16 and 2016-17 (AEC (2018a)) and AEC annual reports.

Figure 3.2: Public funding in Australia is neither high nor low by international standards

Public funding for elections per person, AUD 2016



Note: Public funds have been adjusted to Australian dollars according to the average exchange rate for the year of the election. Chart excludes public funding for state or local elections.

Sources: AEC (2018b), Elections Canada (provided), EuroPAM (2018), OSCE (2018), UK Electoral Commission (2018b) and The World Bank (2018).

'non-itemised' funding is largely private donations – which many have assumed – then Australia has remarkably high levels of private funding per person by international standards.¹³⁹

As Dr Belinda Edwards states, “there is so much we don’t know” about where political parties get their money.¹⁴⁰ But the little we know raises red flags about the risk of policy capture. A small group of big donors contribute most donated funds. Regular donors build relationships with parties and candidates. And most donations come from organisations and individuals who stand to gain a lot if policy shifted in their favour.

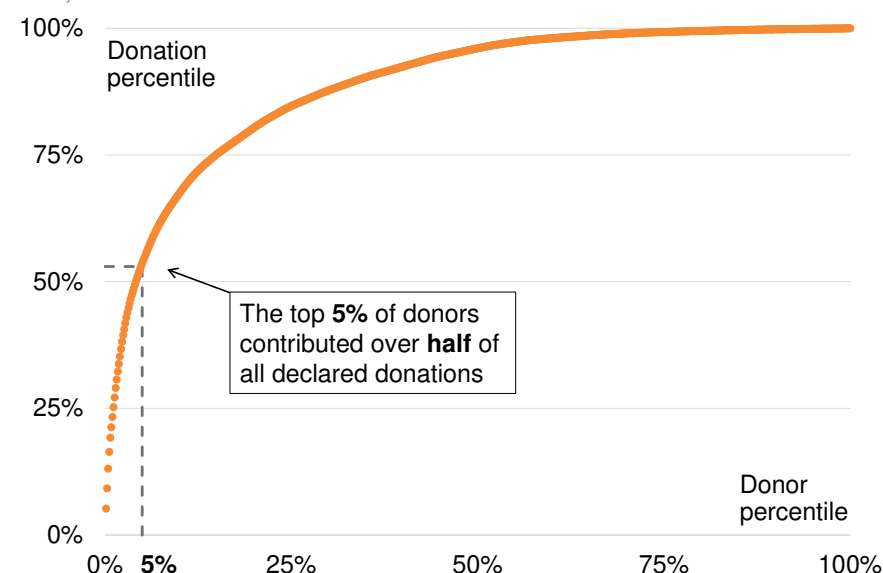
3.3.1 A large share of donations comes from a small share of donors

Most identified donations come from a handful of individuals and entities. Excluding funds from associated entities that run fundraising events or manage investments for the parties,¹⁴¹ the top 5 per cent of donors contributed more than half of all declared donations in 2015-16 and 2016-17 (Figure 3.3). With all associated entities included, the top 5 per cent of donors contributed nearly 60 per cent of declared donations. In other words, 36 people or organisations contributed \$25 million over the course of the 2016 campaign.

Most big donors have a strong relationship with the party they support. The top ten union donors (some of whom are associated entities) collectively contributed more than \$6 million to the ALP. These unions, including the Shop, Distributive and Allied Employees Association (SDA), United Voice, and the CFMEU, have significant influence over policy development and candidate selection.¹⁴² Heavy reliance on

Figure 3.3: The bulk of declared donations come from a small share of donors

Percentage of total disclosed donations by percentage of donors, cumulative sum, 2015-16 and 2016-17 combined



Notes: Chart excludes intra-party receipts declared as donations, and donations without an identified donor. Parties were not required to declare donations of less than \$13,500, but the ALP and the Greens have set lower disclosure thresholds (\$1,000 and \$1,500 respectively). Non-union associated entities excluded – see Appendix B. With associated entities included, the top 5 per cent of donors contributed nearly 60 per cent of all declared donations.

Source: Grattan analysis of party declarations to the AEC 2015-16 and 2016-17 (AEC (2018a)).

139. OECD (2016).

140. B. Edwards (2018).

141. Associated entities are organisations that are closely linked to political parties. See Appendix B for a full definition.

142. Millar and Schneiders (2015), Perpitch and Taylor (2013) and Willingham (2015). A candidate's seat in the Victorian upper house was filled by a CFMEU official

these donors reduces scope for the ALP to push back on policy and process issues.¹⁴³

Large donors also wield influence on the other side of the aisle. The Cormack Foundation, an associated entity of the Liberal Party, contributed the largest amount of any single donor at the last election (\$4.5 million in the two financial years). The Foundation is an independent body with close links to the Victorian Liberals, and it has recently threatened to withhold funding unless the party implements governance reforms.¹⁴⁴ Malcolm Turnbull poured the next highest amount into party coffers, followed by mining magnate Paul Marks,¹⁴⁵ and AusGold Mining Group, owned by the Chinese businesswoman who set up the 'Julie Bishop Glorious Foundation' last year.¹⁴⁶

Most of the top 5 per cent of donors in 2016 also donated in the 2013 election, and a third of them were in the top 5 per cent of donors then too.¹⁴⁷ Regular major donors include unions, the Australian Hotels Association, Village Roadshow, ANZ and Ms Roslyn Packer.¹⁴⁸

in 2017, contravening legal advice from party lawyers. A party official reportedly stated: "If this was challenged, you wouldn't be able to defend it in any court. . . But the CFMEU has taken over the branch and everyone is too scared to do anything about it" (cited in Hannan (2017)).

143. B. Keane (2017).

144. The Cormack Foundation, a \$70 million investment fund, cut off regular donations to the Liberal Party in Victoria in 2016. In March 2018, the Victorian Liberals launched legal action over control of the funds, and in June a Federal Court judge ruled the Victorian Liberal Party held a claim over about 25 per cent of the shares of the foundation but no right to seats on the board or its funds. The Foundation has since announced it will fund Victorian MPs but will continue to withhold funding to the party's administrative arm until reforms are implemented (Hutchinson (2018a), Hutchinson (2018b) and J. Murphy (2018)).

145. Drill et al. (2015).

146. Yaxley (2017).

147. 65 per cent of the major donors (top 5 per cent) in 2015-16 and 2016-17 also donated in the two financial years covering the 2013 election.

148. Grattan analysis of AEC receipts 2012-13.

It is difficult to identify foreign donors in party receipts (Box 6). Two organisations¹⁴⁹ in the top 5 per cent of donors at the last election are run by Chau Chak Wing, a Chinese-Australian citizen with alleged links to the Chinese Communist Party.¹⁵⁰ ABC analysis found that Chinese-linked companies and individuals gave around \$5.5 million between 2013 and 2015.¹⁵¹

3.3.2 Donors with the most to gain contribute more

Highly regulated industries contribute the biggest share of political donations, followed by unions, and individuals with no known industry links (Figure 3.4 on the following page).

Such a high share of donations from heavily regulated industries suggests that a prime motive for donating is access and influence, or at least a desire to see the more favourably-inclined party win power. Businesses in some of these industries – property and construction, mining, and gambling, for example – donate much more than would be expected given their economic size (Figure 3.5 on the next page).

Most donors say they contribute to political parties and their associated entities to support Australian democracy or to create a stable political environment in which businesses can prosper.¹⁵²

This may well be a sincere motive. But if it was the primary consideration we would expect to see more donors contributing to both major parties¹⁵³ and fewer donations from industries with a lot of skin in the political game.

149. Kingold Group and Hong Kong Kingson Investments.

150. Dr Chau has also been accused of conspiring to bribe a UN official (Gribbin and Conifer (2018)).

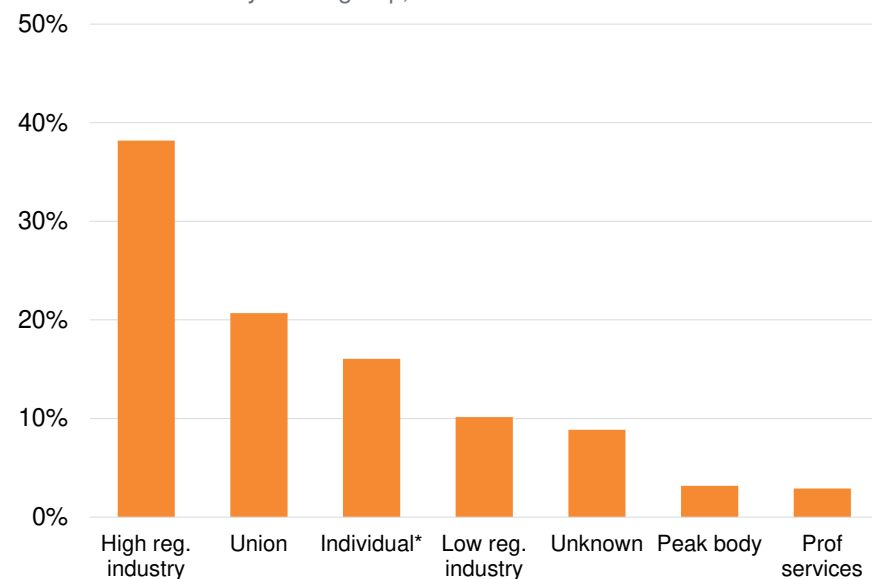
151. Uhlmann and Greene (2017).

152. Select Committee into the Political Influence of Donations (2018).

153. Between 5 and 6 per cent of donors contributed to both Labor and the Coalition in 2015-16 (and in 2016-17).

Figure 3.4: Corporates in highly regulated industries donate the largest share, followed by unions

Share of donations by donor group, 2015-16 and 2016-17



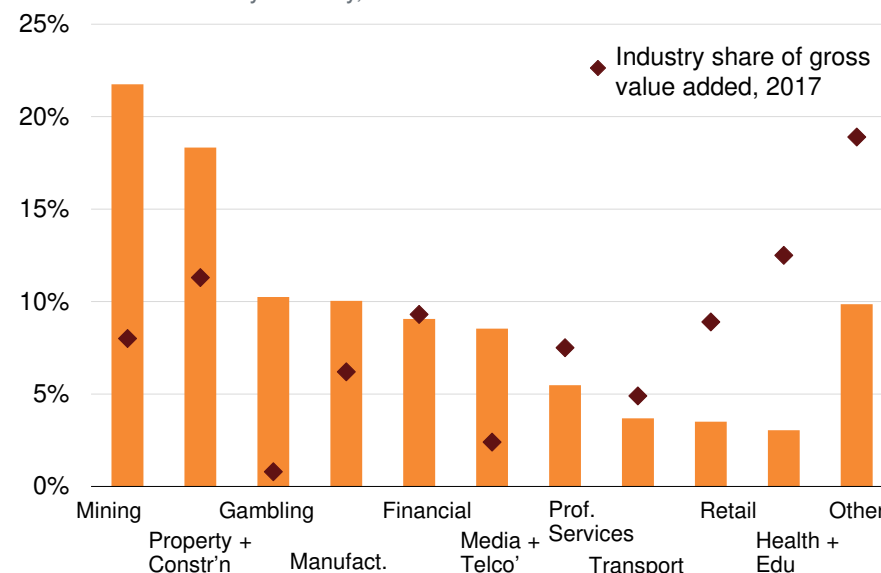
Notes: Level of industry regulation derived from IBISWorld Industry Reports.

*'Individual' refers to individuals with no known industry connections, or those who donated less than \$60,000. If industry connections were known, individual donors were categorised by industry. Non-union associated entities excluded.

Sources: Grattan analysis of party declarations to the AEC 2015-16 and 2016-17 (AEC (2018a)) and IBISWorld database.

Figure 3.5: Some industries dominate corporate donations

Share of donations by industry, 2015-16 and 2016-17



Notes: Individuals who donated more than \$60,000 have been categorised by industry if publicly available information showed they have financial interests in a given industry. The gambling industry's share of gross value added shown is all of 'Arts and Recreation', although gambling is only a subset of this.

Sources: Grattan analysis of party declarations to the AEC 2015-16 and 2016-17 (AEC (ibid.)) and IBISWorld database.

3.4 Donations buy access and, perhaps, influence

Money in politics is regulated to overcome concerns about 'buying' influence. But in Australia money can buy access, which researchers argue is inseparable from influence.¹⁵⁴ Political fundraising events explicitly sell access to senior politicians, and big donors are more likely to get meetings with ministers.

While it is difficult to draw a direct line between donations, access, and policy influence, it is telling that donors themselves think personal interactions are important, and value opportunities to 'bend the ear'¹⁵⁵ of politicians. Similarly, the fact that donations tend to ramp up during policy debates and then fall away afterwards suggests that at least some donors perceive a link between money and favourable policy outcomes.

3.4.1 'Pay for access' fundraisers: buying a seat at the table

The link between money and access is most explicit in political fundraising events. As a senior ALP official reportedly said, "we use our political leadership to raise funds because they are the best product we have to sell".¹⁵⁶

Associated entities that run fundraising events contribute a large amount of money to the major parties (Figure 3.6 on page 41). Attendees pay hundreds – and often thousands – of dollars for a seat at a table with politicians, generally ministers or shadow ministers.¹⁵⁷

Many donors openly say that they believe the benefits of attending fundraiser events include access to key decision makers and facilitating policy discussion (Box 7).

154. Tham (2010).

155. As stated by one person who paid \$10,000 to sit next to the then-Premier of Victoria, John Brumby, at a fundraising dinner (Austin and Millar (2009)).

156. Tham (2010, p. 83).

157. Ibid. (pp. 81–87).

Box 6: It's tricky to regulate foreign donors

There is a risk that foreign actors might use political donations to garner favour among Australian politicians. In a high-profile case last year, Labor Senator Sam Dastyari was found to have contradicted his own party's policy on a matter of concern to the Chinese Government, after taking payments from a Chinese businessman.^a It was later reported that he warned a wealthy donor that his phone may be tapped.^b Dastyari resigned from parliament soon after.^c

The episode led to a push for a ban on donations from foreign actors. It's a worthy aim, but the legislation proposed at the time would have had sweeping implications for third-party campaigners,^d and would not have prevented donations from the individual involved in the Dastyari case anyway.^e There were also significant questions about who should 'count' as a foreign actor.^f

Australian democracy must be protected from foreign influence, but a ban on foreign donations will always be limited. A broader suite of reforms (as proposed in Chapter 5) would capture substantial foreign influence (and *any* major donor influence) while sidestepping the problem of trying to define who counts as a foreign actor subject to a specific ban.

a. Walker (2017).

b. Sweeney (2017).

c. Ibid.

d. Twomey (2018).

e. Or similar individuals who may be of concern (Twomey (2018)).

f. Tham and Anderson (2016).

Box 7: Why attend a political fundraiser?

The recent Senate inquiry into political donations delved into the motives for attending fundraising dinners. Some attendees highlighted the benefits of political access. For example, according to David Byers, chief executive at the Minerals Council of Australia (MCA):

The MCA makes the political contributions detailed above because they provide additional opportunities for the MCA to meet with members of parliament. The MCA uses these opportunities to update members of parliament about conditions in the Australian minerals industry and the policy priorities of the MCA.^a

Allan Blood, Chair of Latrobe Fertilisers, valued the opportunity to ‘bend the ear’ of the then Victorian Premier John Brumby at an event held by Progressive Business.^b

And Nine Entertainment Co. noted that attending policy briefings and network events provided “informative policy briefings and networking events”. They noted that, being a heavily regulated industry, “regular interaction with members of parliament and policy makers to discuss

issues which affect our business” is necessary to “ensure that our industry’s regulatory settings are fit for purpose”.^c

But many attendees denied that their attendance gave them a favourable hearing on policy.

For instance, Mr Byers said the MCA has “no expectation of obtaining any direct benefit from attendance at [fundraising] functions”.^d

Similarly, Annabelle Herd from Network Ten strongly denied that the company used political donations and attendance at events to further a political agenda: *At the events that we go to . . . you actually don’t end up talking that much about your own political issues. It’s more about understanding what the environment is and just general relationship-building and networking with other people that are at these events. But, no, we certainly don’t rely on political donations to further our policy or regulatory cause.^e*

Paul Marriott from Macquarie Bank said, “it’s about being part of the conversation”, rather than expecting “preferential access”.^f

a. MCA (2017).

b. Austin and Millar (2009).

c. McNally (2017).

d. Mr David Byers, Interim Chief Executive, Minerals Council of Australia, cited in Select Committee into the Political Influence of Donations (sec 3.73 2018).

e. Ms Annabelle Herd, Chief Operating Officer, Network Ten, cited in Select Committee into the Political Influence of Donations (sec 3.75 *ibid.*).

f. Mr Paul Marriott, Head of Corporate Communications, Macquarie Group, cited in Select Committee into the Political Influence of Donations (*ibid.*).

3.4.2 Large donations open ministerial doors

It's not possible to know how often federal politicians meet with donors, because they are not required to disclose who they meet with (Chapter 2). However, ministerial diaries from Queensland suggest that big donors have a good chance of access to senior ministers (Figure 3.7 on the next page).

Half of the ALP's major donors in Queensland secured a meeting with the Premier, Deputy Premier or Treasurer.¹⁵⁸ Donors who gave more than \$10,000 made up 15 per cent of all donors and contributed 70 per cent of all donated funds. Donors that specialise in political advocacy – peak bodies, professional services and lobbying firms – were most likely to get a meeting. Donating unions got fewer meetings – but they may get access through other avenues (Chapter 2).

In NSW, only a quarter of major donors to the party in power secured a meeting with the Premier, Deputy Premier or Treasurer.¹⁵⁹ A donations cap applies in NSW,¹⁶⁰ so the major donors (the top 15 per cent) represented a smaller share of total donations (40 per cent).¹⁶¹ The donations cap reduces the importance of any one donor, so this might lead to less access for major donors. But the contrast may also be partly explained by differences in the data. The NSW diaries do not include events, where about a fifth of the meetings with major donors in Queensland took place. The Queensland analysis period also included

158. Grattan analysis of all political donations to the ALP in Queensland from January 2017 to March 2018, and diaries of senior ministers over the same period (Queensland Government (2018)). Note this period included an election (November 2017).

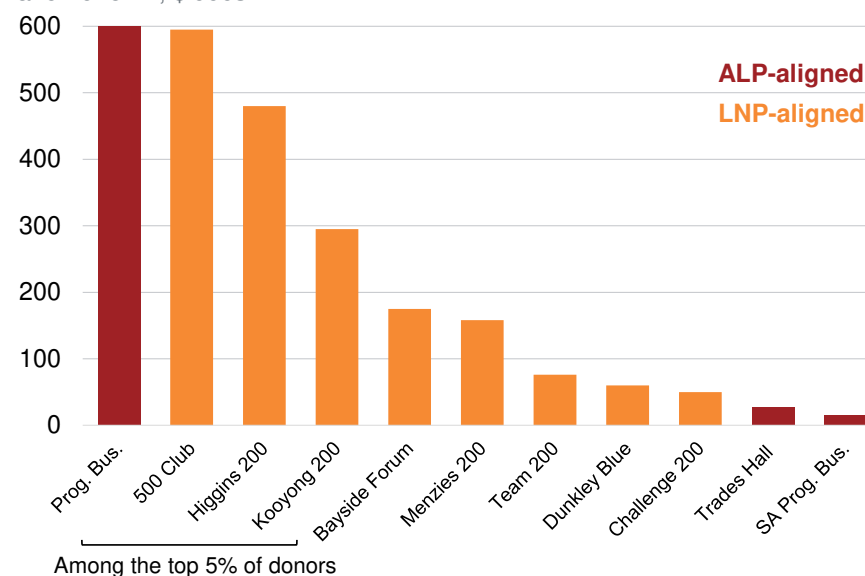
159. Grattan analysis of all political donations to the LNP in NSW in 2016-17 (the most recent data available), and diaries of senior ministers from July 2016 to September 2017 (NSW Government (2018)).

160. The cap is currently \$6,300 for donations to a registered political party (NSW Electoral Commission (2017a)).

161. The threshold for 'major donors' in NSW (top 15 per cent) was a donation of \$4,000.

Figure 3.6: 'Pay-for-access' events are lucrative fundraisers for political parties

Donations from associated entities known to host fundraising events, 2015-16 and 2016-17, \$'000s



Notes: Unions and investment companies excluded, because their fundraising activities appear to be different from those of other event-focused associated entities. 'Prog. Bus.' = Progressive Business. Top 5 per cent includes non-union associated entities, which contributed nearly 60 per cent of declared donations. Fundraising bodies contributed 6 per cent of all party receipts.

Source: Grattan analysis of party declarations to the AEC 2015-16 and 2016-17 (AEC (2018a)).

an election, and donors may get more access in the lead-up to an election.

3.5 Donations increase when political heat rises, and fall away when it cools

If supporting democracy were the only motive for making political donations, we would expect to see donors contribute roughly consistent amounts over time. But for many donors this is not the case.

Donations from gambling bodies shift with policy debates (Figure 3.8 on the following page). The spike in donations in 2010-11 came when the industry was campaigning against poker machine regulations proposed by then Prime Minister Julia Gillard in conjunction with Independent Andrew Wilkie.¹⁶² Labor ultimately backed down, and soon after, donations dropped back to lower levels. The hotels lobby appears to have used similar tactics in state elections (Appendix A).

There are many other examples of donations ramping up before a relevant policy decision and then dropping away when the political environment for the industry is more benign:

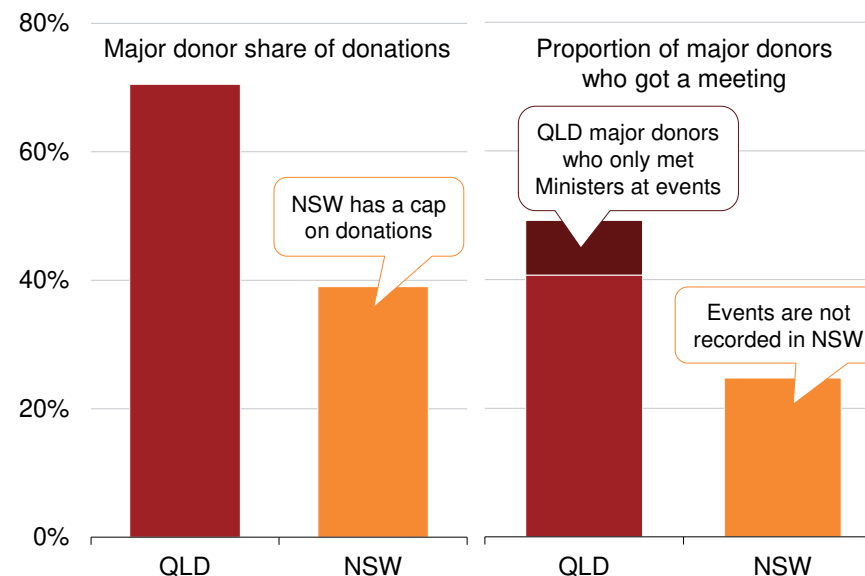
- **Salary packaging industry associations** donated \$250,000 to the Liberal Party and nothing to the Labor Party in the lead-up to the 2013 federal election.¹⁶³ Before the election, the Coalition announced it would reintroduce tax breaks for novated leases. At the 2016 election, Labor announced it would keep these tax breaks if elected. At that election, both parties declared \$165,500 in donations and other receipts from the industry associations.¹⁶⁴

162. ClubsNSW, the organisation leading the industry's response to the changes, also contributed "uncharacteristic and large" donations to the minister responsible for repealing the laws after the change in government in 2013 (Livingstone and Johnson (2017)).

163. AEC (2014).

164. AEC (2016); and Pascoe (2016).

Figure 3.7: Major donors provide a large share of funding and many get access to a senior minister



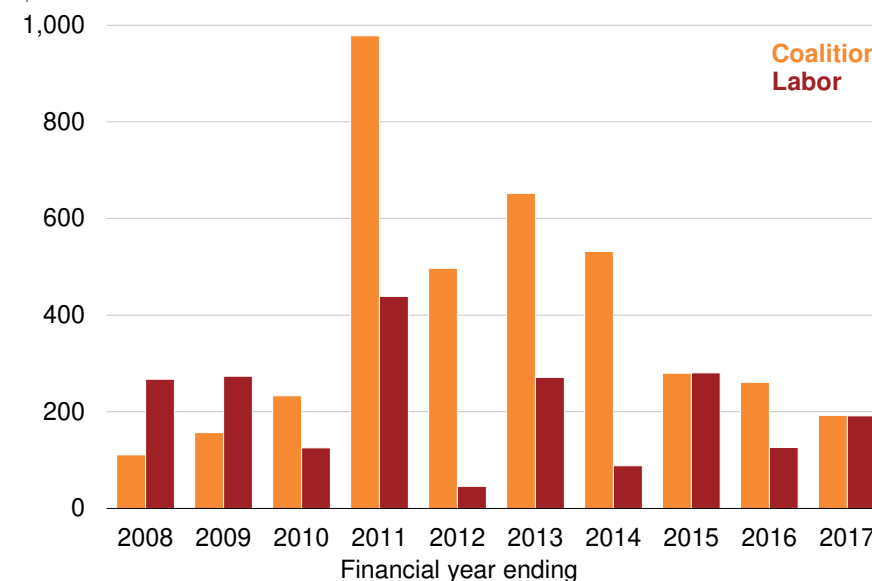
Note: 'Major donor' refers to the top 15 per cent of donors to the party in power in each state, excluding donations to oneself (i.e. an MP donating to their own party).

Sources: For NSW: major donors to the state Liberal and Nationals parties (85 donors who gave \$4000 or more) in 2016-17 (NSWEC (2017)), and senior ministerial diaries (Premier, Deputy Premier and Treasurer), July 2016 to September 2017 (NSW Government (2018)). For Queensland: major donors to the state Labor Party (59 donors who gave more than \$10,000, ECQ (2018)), and senior ministerial diaries, January 2017 to March 2018 (Queensland Government (2018)).

- Political donations from the **alcohol industry** increase when there are changes to the alcohol tax system. Wine and traditional cider are taxed according to their wholesale price under a system known as the Wine Equalisation Tax (WET), whereas other alcohol products are taxed on the basis of their alcohol content. The scheme favours large-scale wine producers and provides an incentive to produce large volumes of cheap wine. Southcorp, a large wine producer, contributed \$675,000 to the Coalition in the lead-up to and immediately after the introduction of the WET in 2000. Industry donations to the Coalition and the ALP fell in the years following but rose again after the Henry tax review concluded in 2010 that “current taxes on beer, wine and spirits are incoherent” and suggested abolishing the WET.¹⁶⁵
- A report on donations from the **mining industry** found that contributions increase in line with the election cycle, shifts in policy debates that affect the industry, and with project timelines. Donations to the major parties peaked at nearly \$4 million in 2010-11 – which encompassed the 2010 federal election and the start of a heated national debate about the government’s proposed mining tax (Chapter 4).¹⁶⁶ Before 2008-09, donations from the industry were evenly split between the Coalition and Labor, but during the mining tax campaign and the ‘carbon tax election’ of 2013 funds were heavily skewed towards the Coalition.¹⁶⁷ Since then, the industry has donated a little over \$1 million a year, more evenly split between the Coalition and Labor.¹⁶⁸

Figure 3.8: Political contributions from the pokies industry peaked in 2011 when the heat was on

Donations and other receipts from industry associations for hotels and clubs, \$'000



Notes: ‘Industry associations’ include federal and state branches of the Hotels Association and Clubs Australia (mainly ClubsNSW).

Sources: Grattan analysis of party declarations to the AEC 2007-08 to 2016-17 (AEC (2018a)). See also Livingstone and Johnson (2017).

165. Grattan analysis of FARE (2018) and AEC (2018a).

166. Aulby (2017a); and Select Committee into the Political Influence of Donations (2018).

167. Select Committee into the Political Influence of Donations (2018).

168. Ibid.

These examples don't establish a direct link between donations and policy decisions, but at the very least they suggest some players believe there is one.

3.6 Existing checks and balances are insufficient

Commonwealth rules on political donations are weak. Most states have stronger disclosure requirements than the Commonwealth does,¹⁶⁹ and checks and balances on federal parties are soft compared to those in place in other countries (Figure 3.9).

And the current regime promotes an 'arms race'¹⁷⁰ between the parties, making them increasingly reliant on a small number of large donors.

Stronger disclosure requirements and better enforcement could go a long way to improving the system at a federal level, and a cap on political advertising expenditure would help reduce parties' reliance on individual donors – and therefore their influence (Chapter 5).

3.6.1 Voters are in the dark about who is donating to whom

Disclosure of party (and associated entity) receipts is supposed to make party funding more transparent. But the public and the media have only a limited view of who is donating to whom. A lot of 'hidden money' flows to political parties – nearly \$63 million in 2016-17.¹⁷¹

The disclosure threshold for party receipts is high and is indexed to inflation. Parties are not required to aggregate donations from the same donor towards the disclosure threshold, so it is possible to 'split' donations into smaller amounts that parties don't have to disclose¹⁷²

169. Chivers et al. (2018); and Muller (2017b).

170. Term used by Senator Dastyari (McDermott et al. (2016)).

171. And \$91 million in 2015-16.

172. B. Edwards (2018). Donors are required to aggregate their own donations and declare them separately to the AEC (Section 3.3 on page 33).

Figure 3.9: Australia is behind other countries on regulating political donations

Rules for political parties

	Canada	UK	NZ	Australia
Disclosure threshold	\$202	\$13,600	\$13,500*	\$13,800
Aggregation under the threshold	Yes	Yes	Yes	Not for parties
Due dates for disclosure	Quarterly during election, yearly otherwise	Weekly during an election, quarterly otherwise	Immediately for large donations, yearly otherwise	Yearly
Expenditure caps	Yes	Yes	Yes	No
Donations caps	\$1,600	No	No	No

Notes: * Donations between \$1,350 and \$13,500 are registered in NZ party returns, but the identity of the donor is not disclosed. NZ donors are required to disclose donations of \$1,350 or more. Australian donors are required to keep track of their donations to parties and disclose when the sum of their donations equals more than \$13,800. Party disclosures may take some time to be revealed to the public after lodgement with the relevant electoral commission. Red text means Australian legislation is behind the rest. Dollars in \$AUD.

Sources: Elections Canada (2018b), Elections NZ (2017) and UK Electoral Commission (2018c).

(although the ALP and the Greens both choose to disclose receipts below the threshold).¹⁷³

The money that is declared is still sometimes difficult to trace back to its original source. Opaque entities¹⁷⁴ donated nearly \$3 million at the last election.¹⁷⁵ And associated entities tend to donate large sums, but most of their funding comes from unknown sources (Appendix B).¹⁷⁶ In some cases associated entities have passed on donations from banned donors to state party branches in the very states where those donors are banned.¹⁷⁷

Many contributions are declared as 'other receipts' by parties, even though the contributors report them as 'donations'.¹⁷⁸ Large sums paid to attend fundraising breakfasts, lunches or dinners are commonly counted in the 'other receipt' column on the basis that services – such as a meal and access to politicians – are also provided.¹⁷⁹ Yet fundraising events are, by definition, raising money for a political party, so attendance should be considered a political donation.¹⁸⁰

173. The ALP and the Greens have policies to disclose donations over \$1,000 and \$1,500 respectively. However, some branches of the ALP appear to use the normal threshold instead.

174. That is, trusts or corporations with no digital footprint and an address on their donor form that doesn't correspond with commercial real estate.

175. \$2.2 million in 2015-16 and \$740,000 in 2016-17.

176. With the exception of investment vehicles such as the Cormack Foundation and the 1973 Foundation, which declare most of their funding sources (Appendix B).

177. ICAC (2016). This is illegal, but might be hard to pick up.

178. McGhee (2016).

179. As discussed in Section 3.3, a donation is a 'gift'. Any payment (or gift-in-kind) for which something of equal worth is received in return does not fit this definition. So income from fundraising dinners is classified as an 'other receipt' because the payments are in return for a service – a meal, an event, and an opportunity to meet with policy makers. This is not the case in NSW, Victoria or Queensland, where payments for a fundraising event (over \$200 in Queensland) are considered donations and must be declared as such (NSW Electoral Commission (2017b), Queensland Electoral Commission (2018) and *Electoral Act 2002* (Vic)).

180. B. Edwards (2018).

Disclosures at a federal level are also not timely. Returns do not have to be lodged until the end of the financial year, and they are not published until the following February. Nineteen months can go by before the public finds out who donated how much to whom.

Many states have stricter rules on disclosure and party funding than the Commonwealth Government. For instance, most states have a lower disclosure threshold.¹⁸¹ Some have also banned donations from certain groups, instituted donations caps, and capped political expenditure.¹⁸² And several states are moving towards more timely disclosure. For instance, NSW recently legislated for disclosure of donations every six months, and within 21 days during election campaigns.¹⁸³ Queensland was the first state in Australia to hold an election with 'real time' disclosure in 2017,¹⁸⁴ and South Australia followed soon after.¹⁸⁵

3.6.2 Sanctions are weak

The Commonwealth donations regime has no teeth. Even the AEC, the body responsible for administering the Electoral Act, has noted that the regime combines "relatively low penalties" with "high thresholds for establishing an offence".¹⁸⁶ It's rare for political actors to face serious consequences for breaching the Act.

The AEC conducts compliance reviews on annual returns by political parties and associated entities. Not all entities are reviewed – the AEC chooses which returns to examine based on a risk assessment, professional judgement or random selection. Parties and associated entities are asked to amend their return if a mistake is found. If they fail to do so, the AEC can investigate the breach and refer the matter to the

181. Muller (2017b).

182. Ibid.

183. NSWEC (2016).

184. Blackwood (2017); and QLD Electoral Commission (2017).

185. Chivers et al. (2018).

186. AEC (Attachment 11 2017a, p. 3).

Commonwealth Director of Public Prosecutions.¹⁸⁷ No penalties have resulted from a breach of the Act in the past decade.¹⁸⁸

These measures are soft compared to the donations regime in states such as NSW. The NSW Electoral Commission is required to withhold public funding from political parties if they breach their disclosure requirements. The amounts withheld can be large: the Commission withheld \$4.4 million for a particularly egregious case of non-compliance in 2016.¹⁸⁹ Penalties for individuals are also very high in NSW. If a court finds a person has circumvented the legislation, they could face 10 years in prison. Fines can be up to \$44,000 for misleading conduct, or \$22,000 for repeated failure to lodge a disclosure return.¹⁹⁰

Weaknesses in the Commonwealth donations regime makes Australia vulnerable to policy capture. Chapter 5 proposes ways to reduce this vulnerability.

187. AEC (2017b).

188. As at 2016. A Senate inquiry on the regulation of associated entities questioned whether the AEC "... has created a regulatory environment that encourages proactive disclosure" (Senate Finance and Public Administration Committees (2016)).

189. Statement by Chairperson, NSW Electoral Commission (2016). Funds are returned when obligations are met, less any amount that the party received through improper conduct. In this case, \$3.8 million of public funding was ultimately returned to the party in question and \$600,000 was retained by the NSWEC to offset the value of unlawful donations received by the party (Statement by Chairperson, NSW Electoral Commission (ibid.)).

190. *Electoral Funding Act 2018* (NSW) Part 10 Division 1.

4 Winning hearts and minds

Special interests do not seek influence only behind closed doors. Increasingly they also try to influence the public debate. If you can capture the 'hearts and minds' of the public then policy makers usually follow.

Public campaigns can take many forms, but include major advertising campaigns in mainstream media, targeted marginal-seat and social media campaigns, commissioning economic consultants or think tanks to publish work designed to influence the public debate, and direct communication with the public by groups like pharmacies and schools.

Interests have every right to argue their case in these ways. Public campaigning is of concern only if claims are misleading or if pertinent information – such as who is paying for modelling or research – is withheld.

But the success some interests have had translating their claims into uncritical press coverage raises questions about balance. Is the point of view of groups that aren't so organised or well-funded, such as consumers or young people, adequately represented in public debates?

4.1 The hearts and minds toolbox

*The new paradigm is one of public contest through the popular media more so than rational, considered development and implementation.*¹⁹¹

Public campaigns or publicity for a policy 'cause' are now a standard part of the influence toolbox. Once seen as the province of outsiders

191. Mitchell Hooke, former head of the Minerals Council of Australia, quoted in Orr and Gauja (2014).

– those with relatively little direct access to decision makers¹⁹² – campaigns are now used to complement direct influence through lobbying and donating. As the policy agenda is increasingly set by a wider variety of interests, rather than the grass-roots of political parties, 'going public' may become increasingly important.¹⁹³ Groups such as *GetUp!* have emerged that seek influence almost entirely through public campaigns and grassroots activism.¹⁹⁴

There are two main channels of public influence: communication with the public, directly, or via advertising and social media, and attracting media coverage.

4.1.1 The public campaign

Advertising campaigns are the most visible way special interests seek to sway public sentiment. Campaigns can be persuasive (building support for policy change) or defensive (highlighting the costs or risks of changing the status quo).

Major advertising campaigns in mainstream media are expensive. Nonetheless, since the mining industry campaign against the Resource Super Profits Tax (Box 8) was seen to be successful, threats of a 'mining tax-style campaign' have become standard operating procedure for well-resourced groups fighting policy battles (Box 9).

192. Ward (2009).

193. Ward (ibid.) and Box 1.

194. *GetUp!* employs a range of grassroots and public campaign strategies including encouraging members to email or call their elected representatives, sign petitions, attend rallies, and contribute towards media and advertising campaigns (GetUp! (2018a)). Their campaigns are usually ideological, rather than linked to the material interests of their supporters.

Merely foreshadowing a big-spending campaign can bring governments to the negotiating table. The mining industry spent only an estimated \$22 million of its reported \$100 million advertising budget (Box 8).¹⁹⁵ Similarly, the successful campaign by ClubsNSW against the 2011 pokies reforms used just \$3.4 million of its announced \$40 million budget.¹⁹⁶

Of course, heavy spending by vested interests can also generate a response in kind by the government (Box 8). Despite many attempts to curtail government advertising, the Commonwealth Government has spent at least \$100 million a year in advertising over the past six financial years.¹⁹⁷

Interest groups and issue movements are becoming more sophisticated in their public campaigning. *GetUp!* campaigned on climate change and multi-national tax avoidance in the 2016 election using candidate forums, door-knocking programs, community phone banks, and television and print advertising.¹⁹⁸ It also ran targeted campaigns in the seats of some Coalition MPs,¹⁹⁹ leading to protests that it should be classified as an associated entity of Labor or the Greens.²⁰⁰ A few industry special interest groups that interact directly with the public – such as pharmacists, pathology companies and schools – can also threaten to lobby the public directly.²⁰¹

Large national campaigns are necessarily the preserve of well-resourced organisations in terms of both money and ‘people power’: unions, industry peak bodies and *GetUp!* stand out as the major

spenders in the past decade (Figure 4.1). Indeed, the 15 biggest-spending groups account for 88 per cent of authorised advertising expenditure over the past 11 years.²⁰² In most instances, a single policy issue precipitated these campaigns – the most advertising dollars were spent on WorkChoices, the mining tax, plain packaging of cigarettes, and the carbon tax.

Social media also plays an important role in contemporary advocacy. Although it is widely seen as a way for smaller groups to highlight issues, international research suggests that well-resourced groups have a much broader and more active social media presence than smaller advocacy groups.²⁰³

4.1.2 Sympathetic media coverage

Generating media coverage is another way to persuade the public and influence decision-makers. Issues canvassed in the media are more likely to grab the attention of policy makers.²⁰⁴ ‘Going public’ can also enhance the leverage of an interest group in their lobbying behind closed doors.²⁰⁵

But to get the coverage they want, groups have to get past the ‘gate-keepers’ – editors and journalists have to be persuaded to cover the story, present a particular angle, or frame the issue in favourable terms.

One way of doing this is to *create* the story. New research or modelling work about a contested policy almost always gets some coverage. Consultants can be called on to produce numbers on almost anything

195. Carbonell (2010).

196. Panichi (2013).

197. Department of Finance (2017).

198. *GetUp!* (2018b).

199. Vromen (2016).

200. Norington (2018).

201. Knott (2015).

202. Expenditure by national bodies includes expenditure by associated local or state entities, 2006-07 to 2016-2017. Authorised advertising expenditure refers to all declared expenditure on print or broadcast advertising which is required by law to be authorised (AEC (2018d)).

203. Van der Graaf et al. (2016).

204. e.g. McCombs and Shaw (1972), Yanovitzky (2002) and Nisbet and Hume (2006).

205. Ward (2009).

Box 8: The making of a campaign: the mining industry campaign against the Resource Super Profits Tax

In 2010, the Rudd Government announced a new Resource Super Profits Tax (RSPT). In line with a recommendation from the Henry tax review, the government proposed a 40 per cent tax on all mining company returns above the government bond rate.

The Minerals Council of Australia (MCA) immediately initiated a public advertising campaign against the tax, based on focus group research commissioned by BHP Billiton.^a The campaign was launched on May 7, backed by a reported \$100 million war chest, and focused on the economic risks of taxing companies seen to have saved Australia's economy from recession during the global financial crisis. At the same time, executives at BHP Billiton, Rio Tinto and Xstrata publicly threatened to cancel future Australian operations if the tax was implemented.^b

An initial round of negotiations on the design of the tax failed. The government then announced that it would launch its own \$38 million advertising campaign to counter the MCA's message.^c

In the event, neither the mining industry nor the government fully spent their mammoth budgets. In total, the MCA and its allies spent \$22 million on advertising; the government spent \$9 million.

a. Cleary (2011, p. 42).

b. Bell and Hindmoor (2014, p. 146).

c. McKnight and Hobbs (2013, p. 315).

d. Steel (2010).

e. Shanahan (2011).

Labor MPs looking ahead to that year's election were reportedly concerned by the MCA's campaign, despite little observable reduction in public support for the tax. By the end of June, Julia Gillard had replaced Kevin Rudd as prime minister, and the government and the MCA ended their advertising campaigns.

Following negotiations with BHP Billiton, Rio Tinto and Xstrata, Gillard agreed to lower the tax's headline rate and limit its scope. On July 2, Gillard announced the renamed Minerals Resource Rent Tax (MRRT) would replace the RSPT. At the time, it was estimated that these changes would cost the government \$60 billion in revenue over ten years.^d Smaller mining companies that were not represented in negotiations continued to lobby against the tax.^e

The Coalition went to the 2010 and 2013 elections promising to 'axe' the MRRT. It was repealed by the Coalition Government in September 2014.

Since the MCA's success, organised interests in the energy, banking, property, and automotive industries have publicly threatened to launch 'mining tax-style' campaigns in response to proposed policy reforms (Box 9).

– from the economic benefits of the Great Barrier Reef²⁰⁶ to women in leadership²⁰⁷ to universities.²⁰⁸ The mere fact of media coverage lends credibility. Politicians often refer in the public debate to research produced by special interests and cited in the media (Box 10 on page 54).

Another tactic is to influence the way a story is told. It's not surprising that interest groups tirelessly issue media releases and have spokespeople at the ready for media soundbites. Some also helpfully serve up 'cameos' – real people who would be negatively affected by a proposed policy change – to give colour and human interest to a policy story. This makes life easier for journalists who would otherwise have to go searching for these stories. The debate about negative gearing policy threw up some memorable examples of 'real people' found by – or, perhaps, provided to – the media, including married nurses with four negatively geared properties,²⁰⁹ and a plumber and a social worker who had just purchased a negatively-geared property for their one-year-old daughter.²¹⁰

Given the low price tag – at least compared to mass advertising campaigns – targeted media content can be a cost-effective way to win hearts and minds.

4.2 Why should we care?

Special interests are entitled to put their policy views to the public. In many ways public campaigns are the antithesis of the behind-closed-doors influence strategies documented in Chapters 2 and 3.

206. Fyffe et al. (2017).

207. Taliento and Madgavkar (2016).

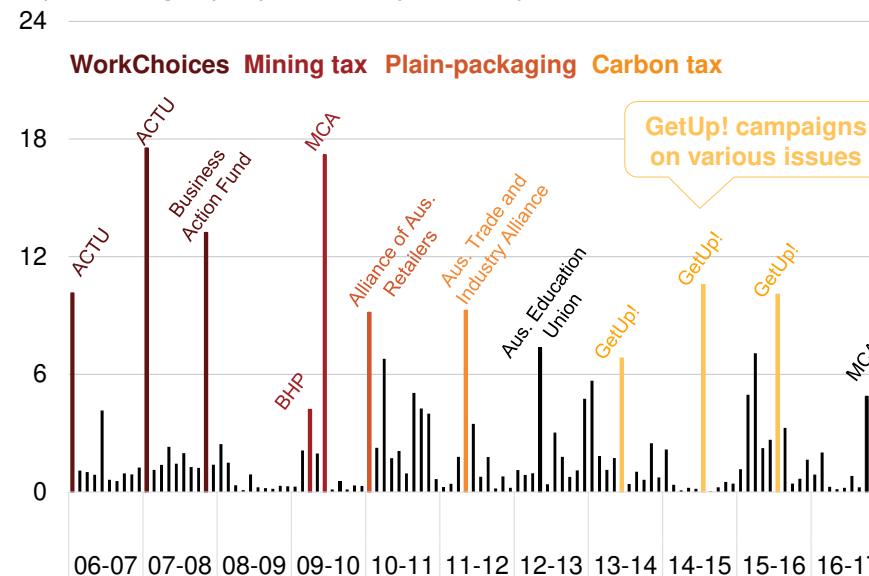
208. Conlon et al. (2018).

209. Durkin and Bleby (2016).

210. Chang (2016).

Figure 4.1: A handful of interests and issues dominate political advertising by third parties

Top ten total group expenditures by financial year, \$ millions



Note: Expenditure by national bodies includes expenditure by associated state and local entities. MCA = Minerals Council of Australia.

Source: Political expenditure returns, 2006-07 to 2016-17 (AEC (2018d)).

The problem isn't special interest efforts – unless they deliberately set out to muddy the debate. The problem is that their messages are often covered uncritically, and other voices are absent.

If media channels – both paid and unpaid – increasingly become a mouthpiece for the views of well-resourced interests, then an important check on special interest influence over policy-making (Section 1.1.2 on page 7) is substantially weakened.

4.2.1 Media checks and balances can be weak

The business model of traditional news media is under increasing pressure. As the number of journalists – particularly specialist journalists²¹¹ – in some mainstream media outlets declines, the pressure to fill column inches and news bulletins grows.

Special interests fill this void with new content, dial-a-quote and cameos, all with an eye to influencing the public debate. Ideally, journalists would analyse this unsolicited content critically and seek alternative views. In reality, a lot of 'public relations' material put out by businesses, government departments and advocacy groups runs with very little editorial input from journalists (Figure 4.2). Although blindly publishing 'PR copy' is not a new phenomenon, growing pressures on journalists mean it is likely to grow.

Even 20 years ago, most Australian journalists reported 'very frequent' contact from public relations people.²¹² Twenty per cent of journalists reported that they 'often or sometimes' used public relations material 'in full'.²¹³ Australian Associated Press stories draw heavily on media

Box 9: Empty threats? Industries reported to have threatened a 'mining tax-style' campaign

- *'The NCEC [National Catholic Education Office]... was reported to be planning a mining tax-style campaign.'* 2017 campaign against changes to school funding arrangements (Gonski 2.0)
- *'Australia's five largest banks are prepared to launch a mining tax-style ad campaign.'* 2017 campaign against new bank tax
- *'Crosby Textor had been engaged... to prepare a mining tax-style campaign.'* 2017 campaign by the oil and gas industry against possible changes to the petroleum resources rent tax
- *'Property groups are threatening a mining tax-style campaign to head off changes.'* 2016 campaign against Labor's proposed changes to negative gearing and the capital gains tax discount
- *'The council had previously warned of a mining tax-style industry campaign.'* 2014 Financial Services Council campaign against a decision to delay the increase in the Superannuation Guarantee
- *'The association has threatened to launch a mining tax-style advertising campaign.'* 2014 Australian Automobile Association campaign against the increase in the fuel excise

Source: Factiva search of Australian newspapers for 'mining tax style' 2011-2018 (Dow Jones (2018)).

211. MEAA (2018); and Bilyk et al. (2018).

212. Macnamara (1993).

213. Ibid.

releases from government departments and political offices, lending legitimacy to them.²¹⁴

This can favour powerful voices. International research shows groups such as trade unions and industry peak bodies gain much greater media attention than citizen groups.²¹⁵

Uncritical reporting is more likely to occur in policy debates where the issues are complex and technical. Modelling of economic impacts and analysis of winners and losers can be difficult for journalists to 'sense check'. And special interest conduct can compound this problem. When a large research report – or nothing more than a 'media briefing pack' – is provided only a short time before release, journalists have little chance to test the numbers and spin.

Special interests also frustrate proper media checks when they fail to disclose who's paying for research. Some argue that 'who's paying' shouldn't be relevant and that arguments should be judged on their strengths.²¹⁶ But consultants' reports often depend significantly on judgement and see the light of day only when they align with the clients' interests. Given journalists (and even other experts) have limited capacity to pull apart black box models, knowing who's paying is key for the public to weigh up different results and arguments.²¹⁷

Consultants sometimes refuse to reveal who commissioned their work (Box 10). And some experts and think tanks regularly weigh into policy debates without revealing who is paying.²¹⁸ The 'aura of independence'

214. Forde and Johnston (2013) showed that almost two-thirds of media releases from four government departments and political offices were picked up by AAP and distributed to newsrooms. Of that content, AAP used the material 'wholly or predominantly' in nearly 40 per cent of stories.

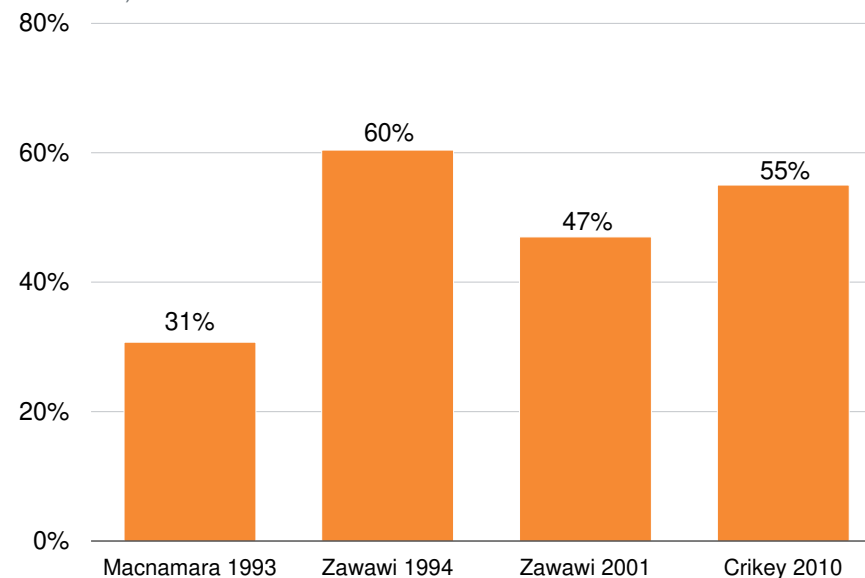
215. Binderkrantz et al. (2017).

216. Cowan (2018).

217. Besley et al. (2017).

218. Secombe (2018); and Barro (2018).

Figure 4.2: News stories are heavily influenced by lobbying handouts
Per cent of news stories driven by public relations materials (various estimates)



Notes: Macnamara (1993) analysed 2,500 news articles and found 768 stories wholly or partly based on press releases from in-house public relations departments and consultancies. Zawawi (1994) analysed 192 news articles and found 116 were influenced by public relations activity. Zawawi 2001 (reported in Macnamara (2002)) expanded on this work, analysing 683 news stories, of which 339 were found to be directly the result of public relations activity. More recently Crikey (2010) analysed 2,203 news stories of which 55 per cent drew heavily on public relations material and 24 per cent had 'no significant extra perspective, source or content added by reporters' whatsoever.

Sources: Macnamara (1993), Zawawi (1994), Crikey (2010) and Zawawi 2001, reported in Macnamara (2002).

of a think tank or an academic means that their research is generally given more weight and prominence in the media than work explicitly commissioned by a lobby group (Box 11).

As a result, dodgy numbers and flawed arguments often get reported without critical review. Box 10 outlines two recent examples. Even when comprehensively debunked, misleading numbers can maintain a zombie-like presence in the national debate, cited again and again even by key decision-makers who surely know better. The public interest would be better served if dubious research findings were not given oxygen by media gate-keepers in the first place.

Open public debate might be strengthened if government backed public-interest journalism. Good-quality public-interest journalism that weighs different viewpoints can be an important check on the influence of well-resourced groups. But government-backed journalism can easily become government-controlled media.

Various studies have looked at ways government might support the public-interest function of the media.²¹⁹ A recent Labor-chaired parliamentary committee recommended ensuring public broadcasters are adequately funded; extending tax-deductible (deductible gift recipient) status to donations to not-for-profit news media organisations (and possibly even to all news media subscriptions); and reviewing defamation laws and whistle-blower and shield law protections.²²⁰ A significant number of other countries already provide direct subsidies or tax exemptions to media outlets.²²¹

Assessing the merits of these types of interventions is beyond the scope of this report. But it seems clear that, without some government intervention, the media's capacity to check undue influence will only get weaker.

219. Schweizer et al. (2014); and Bilyk et al. (2018).

220. Bilyk et al. (2018).

221. JERAA (2017).

4.2.2 Who speaks for the many in policy debates?

In our democratic system, representations from special interests and other interest groups inform policy and ultimately voter decisions. This process works best when there are many interest groups seeking to influence policy and the public debate (Chapter 1).

But lack of resources or poor organisation can leave many without a strong voice. Diffuse groups, such as consumers, or young people, and the advocacy groups that represent them, are generally not well-resourced and by their nature tend to be spread across many issues.

Many politicians and the public service will try to work through broader public interest considerations, aided by institutions within government such as the Productivity Commission as well as outside experts. But even with the best of intentions, the interests of these groups can be given insufficient weight by decision-makers and voters, especially if their voices are 'drowned out' by well-resourced, well-organised and self-interested groups.

If access is granted only to those that come knocking, then less organised and less well-resourced interests won't be consulted. Research suggests that when legislative committees actively seek out and invite contributions, they get a greater variety of relevant perspectives.²²²

There is no simple policy solution to this problem. Chapter 5 explores ways in which policy processes can become more open to a diverse range of voices, as well as ways that government can seek directly to boost voices of those from diffuse groups.

222. Pedersen et al. (2013). See also Bishop and Davis (2002).

Box 10: Economic modelling in the media: two case studies

1. Impact of negative gearing on the economy and rents

'\$19bn hit in Labor negative gearing strike on investors: report'^a

In 2016 Labor proposed reforms to negative gearing and capital gains tax concessions. Property consulting firm BIS Shrapnel released a report later that year estimating that removing negative gearing tax concessions for existing but not new properties (similar to elements of Labor's policy) would increase rents by 10 per cent and shrink cumulative GDP by up to \$190 billion over ten years. BIS Shrapnel would not say who commissioned the modelling. Several weeks later the mystery client was revealed to be accounting firm Bongiorno and Partners.

At the time, Grattan Institute and others showed why the estimates were nonsensical and based on highly questionable assumptions.^b These flaws were also highlighted in a number of media reports^c and in a Media Watch story.^d

Nonetheless, the BIS Shrapnel work was quoted widely and approvingly by then Treasurer Scott Morrison^e even after it had been comprehensively discredited.

Notes: (a) Maher (2018), The Australian, 3 March 2016 (page 1); (b) Daley and D. Wood (2016) and Denniss (2016); (c) Martin (2016); (d) Media Watch (2016); (e) Morrison (2016) and Morrison (2017).

2. Jobs created by the Adani coal mine

'Adani will create more than 10,000 jobs. Here's how'^f

In 2017, during an intense public debate about the future of the proposed Adani mine and what government support (if any) it should receive, an estimate by economic consultants GHD that the mine could create 10,000 jobs by 2030^g gained wide publicity.

The estimates had already been described as much too high by Adani's own expert economist in the land court.^h And an economist for the Australia Institute had produced a detailed critique of the assumptions, the modelling methodologyⁱ and subsequent attempts by the mine's supporters to massage the 10,000 figure.^j

Nonetheless, the 10,000 jobs figure was used by Adani in an advertising campaign and quoted by the Queensland Government and the federal Minister for Resources, Matt Canavan.^k

Notes: (f) McCarthy (2017), The Courier Mail, 6 June 2017; (g) GHD (Table 9 2013, p. 30); (h) Robertson (2015); (i) Campbell (2015a); (j) Campbell (2015b); (k) Canavan (2016) and Lynham (2015).

Box 11: Think tanks can provide 'respectable cover' for special interest advocacy

Think tanks are prominent in many policy debates. Think tanks, including Grattan Institute, conduct research, lobby policy makers and provide media commentary on policy.

Research from think tanks is not always independent or academic in nature. The first question voters and policy makers should ask is: 'who's paying'?^a But many Australian think tanks – including the Australia Institute, the Centre for Independent Studies, the Institute of Public Affairs and the McKell Institute – do not reveal their major donors.^b

When a think tank gets most of its money from a small number of donors or industries, the boundaries between 'think tank' and 'lobby group' can become fuzzy.^c The risk is that such groups become merely a respectable PR arm for their major funders, or closer to the fake think tanks that proliferate in the US^d and UK.^e

a. Daley (2017).

b. Media Watch (2013). The websites of these groups have no information about their major donors. Grattan Institute discloses its funding on its website (<https://grattan.edu.au/about-us/>).

c. Media Watch (ibid.). For example, it was recently revealed that a single donor – Gina Rinehart's Hancock Prospecting – accounted for between half and one-third of the Institute of Public Affairs' total revenue in 2015-16 and 2016-17. Rinehart's contributions were only revealed as part of an unrelated legal case (Secombe (2018)).

d. Dinan and Miller (2007).

e. Bruckner (2017).

5 Proposals for reform

Australia's democracy is robust and good policymaking often prevails, but policy making is sometimes vulnerable to capture by special interest groups.

Access matters, and it is sometimes 'for sale'. Political parties are highly reliant on a small number of donors for their funding. State-level data suggests many large donors get access to senior ministers. And groups seeking influence can explicitly buy access through fundraising events or by hiring well-connected former politicians or staffers (or engaging lobbying firms that do).

And while undue influence never comes with a 'smoking gun', this report documents numerous examples where influence campaigns – some combination of donations, lobbying and advertising – have resulted in policy decisions that benefit a narrow set of interests, often at the expense of consumers, taxpayers and future citizens. While it may not be frequent, just 'sometimes' is not good enough.

Special interests are less constrained than they might be. Contributions to political parties are often not disclosed at all, or long after the event. Most lobbyists are unregistered, and their activities are undisclosed and covered by regulations that are weak and seldom enforced. People move between government jobs and special interests with few controls that are also poorly enforced. Special interests can influence public debate by buying advertising, using their membership to campaign, or using third parties without disclosing their involvement.

Reducing the capacity of special interests to control policy is important. But policy design matters: there is a risk of undesirable consequences if reforms shift the distribution of political power and entrench the influence of insiders.

The changes we propose focus on transparency, accountability and boosting alternative voices in policy debates. They will not fix every problem. But properly implemented they are 'low regret' and very likely to help drive improvements in culture and decision making.

5.1 Improve transparency in policy making

Growing public cynicism about special-interest influence is partly born of secrecy. When people can't see what's going on they assume those with the most money or the best contacts are getting a 'special deal' from policy makers. This cynicism may be justified: what we *can* see suggests that well-resourced and well-connected interest groups get more access and decisions often go their way.

We recommend three key reforms to improve transparency: improving the 'visibility' of political donations; publishing ministerial diaries; and creating a more meaningful register of lobbyists. These reforms would substantially reduce the secrecy around money and access.

The OECD argues "a sound framework for transparency in lobbying is crucial to safeguard the integrity of the public decision-making process".²²³ Greater public scrutiny might encourage policy makers to seek out alternative voices or sources of funds. Or better scrutiny may simply reassure the public that decision makers are getting on with their jobs and consulting broadly on policy.

These recommendations will not create much additional administrative burden, since most of them work with systems already in place. Nor do our proposals unduly impinge on privacy – outside of security matters, it is difficult to think of instances where an official meeting between a third-party and a politician should not be on the public record. Our

223. OECD (2013).

proposal would make more donors visible, but only those who give substantial sums well beyond the means of average Australians.

Transparency isn't a silver bullet but it can play an important role in reducing the sway of special interests (Box 12).

5.1.1 Publish ministerial diaries

Access and influence are inextricably linked, so it's important the Australian public can see who meets with senior policy makers. Ministerial offices at state and federal levels should publish details of all official meetings, including meetings held in the office, those held offsite, scheduled phone calls, and events where a minister attends in an official capacity.²²⁴ 'Official meetings' should include those at which a minister was present as well as those held with ministerial advisers only. Records of meetings should identify those present and key issues discussed.

To be useful, ministerial diaries must be published in a timely manner and an accessible form. For example, all meetings for one month could be published by the end of the following month, as already happens in Queensland. The publication should be searchable and exportable, to enable scrutiny.

Published diaries would enable journalists and others to see who ministers are meeting – and, perhaps even more importantly, who they're not meeting. When a ban on greyhound racing was announced in NSW, senior ministers met with the racing industry but not animal rights groups or supporters before deciding to overturn the ban (Appendix A). The NSW Planning Minister has been criticised for meeting frequently with property developers but not residents.²²⁵ And

224. Queensland, NSW and the ACT already publish ministerial diaries, but could improve the content and accessibility of this information as per our recommendations in this section.

225. Jewell (2017).

Box 12: Transparency isn't a silver bullet but it helps

Whether transparency alone can improve policy making and reduce corruption is unclear.^a Evidence from the US suggests campaign finance reforms don't change the rate of public corruption cases,^b but they do correlate with increased redistributive spending,^c which suggests they may weaken the influence of the well-off.

Journalists, political candidates and interest groups draw heavily on lobbying disclosures in the US.^d One review of lobbying regulation concluded that public disclosure of lobbying activity seems to encourage restraint and professionalism in dealings between lobbyists and politicians.^e Lobbyists and legislators both agree that transparency can help alleviate actual or perceived problems of inappropriate influence peddling.^f

There is much debate about whether increased transparency strengthens trust in government.^g Whether transparency builds trust depends partly on what it reveals. But in the longer-term it provides an important signal to governments about what the public wants and expects of them.

Transparency is not enough on its own – strong voices are still needed to call-out problems, and voters still need to hold elected officials to account. But transparency gives them better information to do so.

Notes: (a) Evaluation is difficult because it is virtually impossible to isolate the effect of specific reforms (C. S. Thomas (1998)); (b) Cordis and Milyo (2013); (c) Flavin (2015); (d) C. S. Thomas (1998); (e) C. S. Thomas (ibid.); (f) OECD (2013); (g) Some argue it creates a culture of openness that strengthens trust, while others argue it creates uncertainty and confusion among voters (see Grimmelikhuisen et al. (2013)).

the Queensland Government faced pressure in the 2017 state election campaign when it was revealed the Premier had held many meetings with Adani and its lobbyists but not with environment groups or others concerned about the mine.²²⁶ This type of public scrutiny creates pressure for decision makers to think more actively about who they consult.

Some may try to avoid disclosure by shifting meetings to those not covered by reporting requirements (backbenchers or party officials for example) or attempting to influence more informally. But these avenues are less likely to be influential. Reporting cannot be perfectly comprehensive without becoming excessively burdensome, so we recommend focusing disclosure requirements on the most senior policy makers – ministers and their advisers. There seems to be little downside – the NSW and Queensland governments have done this with no evident problems.

Federal ministers and assistant ministers already sign up to a code of conduct which requires that they “ensure that their conduct, representations and decisions as ministers . . . are open to public scrutiny and explanation”.²²⁷ Publishing ministerial diaries would help to keep this promise.

5.1.2 Link the lobbyists register to orange passes

The Australian Government Lobbyists Register is ineffective in its current form. Its definition of ‘lobbyist’ is too narrow, there is little incentive to comply, and it relies on politicians to police it (Chapter 2). The register should instead be linked to the sponsored security passes that give holders unescorted access to Parliament House.

Linking the register of lobbyists to sponsored (‘orange’) passes would broaden the definition of lobbyist without making it unmanageable.

226. Long (2017a); West (2017b); and Ludlow (2017).

227. Australian Government (2018b).

Orange passes are granted to people who require ‘significant and regular business access’ to politicians, which includes the most active commercial and in-house lobbyists. Lobbyists who do not have orange passes would not be required to register.

Former MP Jacqui Lambie (who proposed this policy in 2017) called these passes “the backstage tickets of the lobbying class”.²²⁸ Taking their privileged access away would make lobbyists’ jobs harder, so lobbyists would have an incentive to comply with the code of conduct.²²⁹

The burden to register as a lobbyist should be negligible. Orange pass-holders would simply need to declare who they are lobbying for and the portfolio areas they are lobbying in, as part of the existing application process.

Some people who hold orange passes may not consider themselves lobbyists – for example, academics or other experts that politicians might regularly consult. But these people are key influencers nonetheless. There should be no opprobrium for being listed as a pass-holder, and the restrictions that would be extended to apply to them under the code of conduct – such as not engaging in corrupt or misleading behaviour – would not unduly constrain their activities.

This new definition would not capture lobbying outside of Parliament House. Nor would it capture those groups or individuals who lobby only occasionally. But anyone who meets with ministers would be identified in published ministerial diaries (Section 5.1.1), wherever they might meet and whether or not they hold an orange pass.

228. Lambie (2017a); and Lambie (2017b).

229. An orange pass allows unescorted passage through the private areas of Parliament House. Without a pass, lobbyists can still meet with parliamentarians but need to be escorted to each meeting and then back to the public areas. This makes meetings more cumbersome and takes away the ‘chance encounters’ in common areas such as coffee shops in the private section of Parliament House.

The Department of Parliamentary Services, which manages access to Parliament House, has previously refused to publish a list of names or organisations that hold these passes on security grounds.²³⁰ But these security risks are manageable: the UK, US and New Zealand, for instance, already publish lists of pass-holders.²³¹

5.1.3 Improve the visibility of political donations

The federal disclosure regime for political donations leaves the public in the dark about a sizeable share of party funding (Chapter 3). But some simple changes would make large donations much more visible.

To prevent ‘donations splitting’, donations from the same donor to the same party, over say \$100,²³² should be aggregated and disclosed by the party once the combined total exceeds the disclosure threshold.

The disclosure threshold should be lowered. At \$13,800 the current figure is well above the amount that an ordinary Australian voter could afford to contribute to support a political cause. The high threshold also means that income from fundraising events is often not disclosed. Associated entities that are known to run these events declare remarkably little about the sources of their funding (Appendix B).

A more reasonable threshold would be \$5,000.²³³ Donations below this level are unlikely to lead to influence. And such a threshold would

230. In a Senate Estimates hearing, the President of the Senate said “if we start releasing names of everyone who has a pass to Parliament House, apart from the obvious ones, being senators and members, they are prone then to have their pass stolen or prone to be followed” (DPS (2017)).

231. Summers (2018).

232. It would be burdensome to include very small donations (such as the purchase of raffle tickets) in aggregation requirements.

233. Thresholds for disclosure of donations vary widely between countries, for example political parties disclose donations over about AU\$200-300 in Canada and the US, and over \$1,500 in New Zealand, meanwhile the threshold in the UK is closer to Australia’s (Filer et al. (2016)).

still protect the privacy of small donors and minimise the red tape associated with handling smaller donations.²³⁴ For bigger donations, the public’s right to know about political funding should trump privacy considerations.

Private funding above the threshold should also be itemised into meaningful categories. Income from fundraising events should be categorised separately from ‘other receipts’. Loans should also be separated from ‘other receipts’, and the terms and conditions of the loan should be reported. And public funding should also be declared in its own category, rather than being mixed into the ‘other receipts’ bucket.

Party funding disclosures should be available much sooner. NSW recently legislated for reportable donations to be made public within 21 days during an election, and every six months otherwise. Queensland now requires disclosures in ‘real time’. It beggars belief that donations could not be disclosed in a similarly timely manner at the federal level.

On their own, however, stricter disclosure measures will not automatically translate into improved transparency. To be useful, the information must be readily accessible. There are thousands of lines of data in the AEC disclosures, and the information is hard to sort and categorise.²³⁵ To address this, the AEC should release summary documents at the end of a disclosure period, as occurs in some states and overseas.²³⁶ The online portal for lodging disclosures should validate donor names, to discourage abbreviations and spelling mistakes in the data.²³⁷ Donor organisations should be required to

234. The same threshold would apply to associated entity disclosures. It should apply to donations, event attendance fees and membership fees, to ensure the income of different associated entities is treated equally (Appendix B).

235. B. Edwards (2017).

236. The Electoral Commission (UK) (2018).

237. The online disclosure software used in Queensland and South Australia has systems in place to achieve this.

provide their ABN or ACN. The AEC should also be responsible for tidying up the disclosures before they are released, so that journalists and the public can more readily use the data.

5.2 Strengthen accountability of policy makers

Parliamentarians, and especially ministers, lead policy making and “occupy positions of great responsibility and public trust”.²³⁸ The public is clearly concerned about the standard of ethical conduct of politicians, even if corrupt conduct is rare (Chapter 1).²³⁹ Ultimately, politicians are accountable to their electorates, but this is a blunt mechanism for deterring unethical or grey conduct.²⁴⁰

5.2.1 Set clear standards to avoid conflicts of interest

Ministers are subject to a code of conduct known as the Statement of Ministerial Standards. The Standards specify rules on contact with lobbyists, restrict the acceptance of gifts²⁴¹ and outside employment,²⁴² and declare, among other things, that ministers must act in the public interest: *When taking decisions in or in connection with their official capacity, ministers must do so in terms of advancing the public interest – that is, based on their best judgment of what will advance the common good of the people of Australia.*²⁴³

238. Australian Government (2018b).

239. See also Coghill et al. (2008a).

240. Ibid.

241. Ministers must declare and surrender gifts over \$300 in value from private sources (excluding hospitality) or purchase the gift themselves (Australian Government (2018c)) and they are not allowed to accept sponsored overseas travel, unless approved by the Prime Minister (Ministerial and Parliamentary Services (2017)).

242. Consulting, advising and day-to-day management of a business are not allowed, but ministers can continue to hold shares and receive royalties (see Australian Government (2018b), clauses 2.19 and 2.20).

243. Ibid.

While these standards have the right intentions, they are not independently administered, and are only enforced at the discretion of the Prime Minister.²⁴⁴

And unlike ministers, federal MPs outside the ministry do not have to commit to *any* code of conduct. They can accept gifts and engage in outside employment, so long as they declare them.²⁴⁵ This falls short of the standards set for many state parliamentarians, all federal ministerial staff²⁴⁶ and federal public servants.²⁴⁷

Sponsored travel, sizeable gifts²⁴⁸ and other income²⁴⁹ may, or may appear to, influence decision-making in current or future roles (Section 2.4). For example, Senator Sam Dastyari did not breach any rules or code when he asked an education company with links to the Chinese Government and a major property developer to pay bills for him.²⁵⁰ Yet the outrage that followed shows the rules fall well short of public expectations.²⁵¹

244. Ministers must resign if they are convicted of a criminal offence or if the Prime Minister finds that they have breached the standards in a substantive and material way (Australian Government (ibid.) clauses 7.1 and 7.2, and Ng (2016)).

245. Parliamentarians are expected to register potential conflicts of interest, including gifts, sponsored travel, and other sources of income (Registrar of Members' Interests (2018) and Senate Standing Committee of Senators' Interests (2018)).

246. Special Minister Of State (2018).

247. The APS Code of Conduct restricts acceptance of gifts and allows outside employment only where it does not conflict with official duties: Australian Public Service Commission (2017).

248. Gifts under \$300 may be an appropriate exception to allow presentation and receipt of gifts as a gesture of “good manners, goodwill and the respect for other countries’ customs” (see Department of Finance 2017).

249. Personal farms and family businesses may be an appropriate exception if they were established before the politician entered parliament and do not conflict with official duties.

250. Hunter (2016).

251. In resigning from the Labor frontbench, Dastyari said his action was “within the rules but it was wrong” (Patel (2016)).

Ethical behaviour can never be fully defined by rules, but clear standards around conflicts of interest are needed for all parliamentarians.²⁵² A broad code of conduct for parliamentarians would help to set a standard for the public, media and parliament itself to hold elected officials to.²⁵³

5.2.2 Codes of conduct should be independently administered

All codes of conduct for ministers, lobbyists and ministerial staff – as well as any new code that might be developed for parliamentarians – should be independently administered. Arms-length administration of the rules is necessary to build public confidence that codes of conduct are respected and adhered to.

An independent body should have an educative role, to help parliamentarians, ministerial staff and lobbyists understand their responsibilities and disclosure obligations.²⁵⁴ It should have the authority to investigate potential non-compliance, and the power to make findings and refer breaches when they occur. A separate ethics adviser should be appointed, to enable current and former parliamentarians to seek advice when they're in doubt.

252. There have been several proposals for a code of conduct for parliamentarians, most recently rejected by the Senate Code of Conduct Inquiry (2012) on the grounds that regulation should be developed to address specific concerns rather than the more general aspiration of improving public confidence. The Inquiry found no evidence that codes contribute to improving public confidence (Senate Committee (2012)).

253. An example of such a code is the Queensland Parliament's Code of Ethical Standards, which is built on fundamental principles of: integrity of the Parliament; primacy of the public interest; independence of members; appropriate use of information; respect for people; and appropriate use of entitlements (Legislative Assembly Of Queensland (2018)).

254. It could even play a broader role in professional development, see Coghill et al. (2008a) and Coghill et al. (2008b).

In NSW, the Electoral Commission is the independent regulator of lobbyists, and can prosecute people for failing to register as a lobbyist and for breaching the revolving-door ban.²⁵⁵ NSW has a separate Parliamentary Ethics Adviser. In Queensland, the Integrity Commissioner administers the lobbying and parliamentary codes of conduct and has an advisory function only (*i.e.* does not investigate breaches).

No such body exists at the federal level. The new Independent Parliamentary Expenses Authority could be extended to take on administration of the codes of conduct.²⁵⁶

For lobbyists, the sanction for non-compliance should be loss of privileged access to Parliament House via the orange passes (Section 5.1.2) and/or a fine.²⁵⁷ This would provide a much stronger incentive for lobbyists to register and comply with the code of conduct. It would also create an incentive for former ministers to comply with the revolving-door ban.

For current MPs, breaches of the Ministerial Standards or any new code for parliamentarians should be first dealt with by parliament. Ideally parliament would refer all complaints for independent investigation and agree an appropriate sanction when an independent review determines a breach has occurred.²⁵⁸ This works well in some houses of parliaments in Commonwealth countries where there is a strong culture of ethical conduct.²⁵⁹ Serious breaches that are not dealt

255. The maximum penalties are \$22,000 for individual lobbyists who lobby while unregistered, or for former ministers who lobby during the 18-month 'cooling-off period' (*Lobbying of Government Officials Act 2011* (NSW, section 18.1)).

256. Brown et al. (2018) propose an Independent Parliamentary Standards Authority as an extension of the IPEA.

257. Fines could be issued as infringement notices.

258. Commonwealth Parliamentary Association (2016). A code of conduct established by a resolution of the House could specify that all complaints be referred for independent investigation.

259. Coghill (2018).

with by parliament could be referred to the Commonwealth Director of Public Prosecutions for possible prosecution, or to a new investigative body for further investigation (Section 5.2.3). Penalties could be at levels that apply to contempt of parliament.²⁶⁰

5.2.3 Establish a federal integrity or anti-corruption body

An independent commission responsible for investigating potential misconduct by politicians, their advisers and other public officials would fill the gap in federal agencies' powers and capabilities to investigate conflicts of interest and corruption.

All states have dedicated integrity and/or anti-corruption agencies, but no equivalent agency exists at the Commonwealth level. It would be naïve to assume that corruption at the federal level is less prevalent or serious than at state level.²⁶¹

A recent review of Australia's integrity system, led by Griffith University, proposed several options to address gaps in the integrity framework ranging from less to more comprehensive.²⁶² Transparency International Australia has advocated for the more comprehensive approach to anti-corruption reform.²⁶³

A federal parliamentary integrity or anti-corruption commission has strong public support²⁶⁴ and could help to build public confidence by

demonstrating that the federal government is serious about managing conflicts of interest and identifying corruption risks.²⁶⁵

The commission would:

1. Take tips and information from the general public and public officials (including whistle-blowers) on alleged corruption or serious misconduct;
2. Investigate potential misconduct and corruption risks; and
3. Make findings of fact in relation to misconduct and refer any corrupt activity to the Commonwealth Director of Public Prosecutions.

Opponents argue such a body could be a risk to separation of powers (an executive agency playing a semi-judicial role) and that public hearings can unfairly ruin reputations.²⁶⁶ Assessing the optimal design of a federal integrity or anti-corruption body is beyond the scope of this report. But it would be valuable if the federal government established an independent review panel to consider issues and recommend an appropriate model. The result may be an entirely new body, or an extension of powers for an existing body.²⁶⁷

260. The punishments for contempt, which either house may apply, are set by the 1987 Act as fines of \$5,000 for individuals and \$25,000 for corporations, and up to six months imprisonment for individuals (Parliament of Australia (2018)).

261. Canberra Times (2018).

262. Brown et al. (2018).

263. Lillywhite (2018).

264. 67 per cent support the establishment of such a body, even when told existing bodies may adequately fulfil the role. The support is even higher among those who have worked in federal government. People do not necessarily believe corruption is rampant, but value staying ahead of the game (Transparency International Australia (2018)).

265. Easton (2018b).

266. Merritt (2018).

267. For example, the Australian Commission for Law Enforcement Integrity has an Integrity Commissioner, but is currently limited to investigations in the law enforcement arena. The Commonwealth Ombudsman already has investigative powers, but investigates complaints made against government departments and agencies rather than the conduct of parliamentarians. The Public Service Commissioner monitors compliance with the APS Values and Code of Conduct, but again its jurisdiction does not cover parliamentarians. See Appleby (2014) and Brown et al. (2018).

5.3 Level the playing field

Money and resources can be powerful tools of influence in policy debates. The flip side is that diffuse and poorly resourced groups such as consumers and young people can struggle to be heard. Good policy depends on the best ideas prevailing, not simply the loudest voices.

We suggest two changes to reduce the influence of money on politics and to promote broader participation in the public debate: a cap on political advertising expenditure during election campaigns, and changes to policy processes to boost countervailing voices.

We considered two other reforms: caps on private donations, and full public funding of election campaigns. We *don't* recommend these. Both have significant drawbacks, as discussed in Box 13. And their objectives can largely be met with fewer restrictions by a cap on political advertising expenditure.

5.3.1 Cap political advertising expenditure

Political advertising expenditure during election campaigns should be capped. A cap would:

- reduce the imbalance between groups with different means to broadcast political views; and
- limit the reliance of major political parties on individual donors.

The idea would be to limit political-party and third-party advertising during election campaigns, but not restrict political expression through other channels, or at other times.²⁶⁸ NSW, South Australia and the ACT

268. The cap would apply to all paid-for electoral advertisements, including TV, radio, newspaper, internet, social media advertising, bulk text messages and robocalls, for which authorisation is already required under the *Electoral Act 1918* (Cth) and the *Broadcasting Services Act 1992* (Cth). It would not apply to employees or volunteers.

already have caps on political expenditure during election campaigns, as does Tasmania's Legislative Council. Most OECD countries have spending limits on political parties and/or candidates.²⁶⁹ And political TV advertisements are banned in the UK.²⁷⁰

Advertising accounts for most campaign spending by the major parties in Australia²⁷¹ and is easier to identify and regulate than other political expenditure.²⁷² The argument against a cap is that it would restrict the capacity of political parties and interest groups to communicate with the public.²⁷³ But there is no reason to assume that the current level of political advertising is the right one. Current spending is not based on the amount required to communicate policy detail as much as the perceived imperative to outspend one's opponent.²⁷⁴

The 'arms race' between parties results in growing amounts being spent on political ads that are thin on factual content,²⁷⁵ are often negative (*i.e.* attack opponents),²⁷⁶ and are sometimes misleading.²⁷⁷

269. OECD (2016).

270. *Communications Act 2003* (UK). Parties are given airtime via party political broadcasts instead (UK Advertising Standards Authority (2014)).

271. S. Young (2002). Print and broadcast advertising also represents most of the political expenditure by third parties – 65 per cent on average and as much as 90 per cent in some years (Grattan analysis of third-party political expenditure 2006-07 to 2016-17, AEC (2018d)).

272. Focusing only on political advertising spend makes both compliance and monitoring easier and helps to avoid unintended consequences seen elsewhere (*e.g.* Sheila McKechnie Foundation (2018)).

273. Joint Standing Committee On Electoral Matters (2011).

274. After the point that the parties have successfully communicated their policies to the electorate, party expenditure in an election is a classic prisoner's dilemma: political parties would collectively be better off if they limited further campaign expenditure, but each has an incentive to try and outspend the other – leaving the parties (and the polity) worse off.

275. Reece (2016); and S. Young (2002).

276. Miskin and Grant (2004).

277. The prohibitions on false and misleading content in advertising set out in the *Competition and Consumer Act 2010* do not apply to political advertising.

It is not obvious that Kevin O'Lemon²⁷⁸ or Mediscare added much to Australian democracy.²⁷⁹ A limit on paid advertising may encourage the major parties to use communication channels that are more conducive to deeper discussion and the interrogation of ideas, such as political debates and interviews.

A cap on advertising expenditure would help reduce political parties' reliance on major donors.²⁸⁰ If parties were obliged to spend less, each donor would become individually less important (because they could be replaced by other donors). And if parties had less incentive to sell access to donors, senior parliamentarians would have more time to do their job instead of chasing dollars.

Given that other groups, such as unions and industry peak bodies, may campaign on political issues, their political advertising expenditure would also need to be capped. A higher cap should apply for political parties – the primary players in an election – than for third parties.²⁸¹ Entities owned by a political party should fall under the party's cap.²⁸²

Expenditure caps would reduce the 'spending gulf' between the major incumbent parties and new and smaller parties, as well as

Concerns about misleading content in political party advertising have led to several calls for reform (K. Burgess (2017) and Gartrell (2016)).

278. Loughnane (2011).

279. Waller (2016).

280. OECD (2016).

281. At the 2015 NSW state election, expenditure of the major parties was capped at \$9.3 million (if they contested all 93 seats) and expenditure of third parties was capped at \$1.05 million (NSW Electoral Commission (2017c)). NSW recently legislated to reduce its cap on third parties to \$500,000. Third parties should not be able to overwhelm public debate or "relegate the primary players in an election campaign – political parties and candidates seeking to win seats and possibly form government – to second-tier status in terms of the volume and reach of campaigning" (AEC (2011a, pp. 6–7)).

282. There is also a case for other groups (including unions) to come under the relevant party's cap if they engage in a coordinated campaign with a political party (Tham (rec. 41 2012)).

between well and poorly resourced third parties. There will always be substantial differences in the resources and capacity of political parties and interest groups to advertise their message, but a cap set at a reasonable level would place a ceiling on the imbalance.

Some design issues would need to be addressed: establishing the time period that a cap is in effect before an election,²⁸³ rules to prevent parties circumventing the limits²⁸⁴ (including the party in government boosting taxpayer-funded advertisements), and determining appropriate penalties.²⁸⁵

The right cap depends on how much advertising reach money can buy²⁸⁶ – it should be high enough to enable third parties to communicate with voters on policy issues, but not so high as to enable them to drown out all other voices, including political parties.

For example, a cap on political advertising expenditure of around \$5 million per annum for political parties,²⁸⁷ and around \$1 million a

283. For example, the cap could apply on a monthly pro-rata basis for the period beginning one year before the latest possible date for a half-Senate election and ending on the actual election date. If the federal election is called early then the cap may apply only for three months, whereas if the election is called on the last possible date, then the cap would apply for a full 12 months.

284. For example, third parties should not be able to pool funds for a single advertising campaign, because this would encourage proliferation of third parties to get around the cap. But third parties should still be able to run separate advertising campaigns on similar issues. Expenditure caps do not appear to have substantially increased the number of third-party campaigners operating in elections in NSW. There were 43 registered third-party campaigners when NSW first implemented expenditure caps in the 2011 state election (EFANSW (2011)), and 52 in the following election in 2015 (EFANSW (2016)).

285. Schott et al. (2014), Twomey (2014) and Joint Standing Committee On Electoral Matters (2011) canvassed some of these issues.

286. Twomey (2015).

287. A cap of \$5 million represents about a fifth of the public funding for the major parties at the 2016 federal election and three-quarters of the public funding flowing to the Australian Greens. Estimates suggest the major parties each

year for third parties, would have significantly reduced advertising expenditure at the past four federal elections but would have affected only between five and eight interest groups (Figure 5.1).²⁸⁸ \$1 million buys just under half the 2015 'Coal – it's an amazing thing' campaign,²⁸⁹ and \$5 million is roughly what the major parties spent on broadcast advertising alone in the 2016 election campaign.²⁹⁰

Political parties should continue to declare their expenditure in full and third parties should disclose significant political advertising expenditure – say, above \$100,000 – year-round, even though the cap would only apply in the lead-up to an election.²⁹¹ Current disclosure requirements are more burdensome than what is proposed, but offer little value because enforcement is limited.²⁹²

spent about \$5 million on TV, press and radio advertising in the 2016 election campaign; this does not include internet and social media advertising, Blumer (2016). NSW currently has a cap of \$11.4 million on political parties that contest all 93 seats and \$500,000 for third parties. But the NSW cap is broader than we propose, because it applies to almost all electoral expenditure (e.g. including employee costs) (*Electoral Funding Act 2018* (NSW)).

288. Eight groups would have been affected at the 2016 election: the Australian Education Union, the Australian Council of Trade Unions, the Minerals Council of Australia, the Business Council of Australia, the Australian Nursing Federation, *GetUp!*, Universities Australia, and the Australian Automobile Association (AEC (2018d)).

289. Long (2017b).

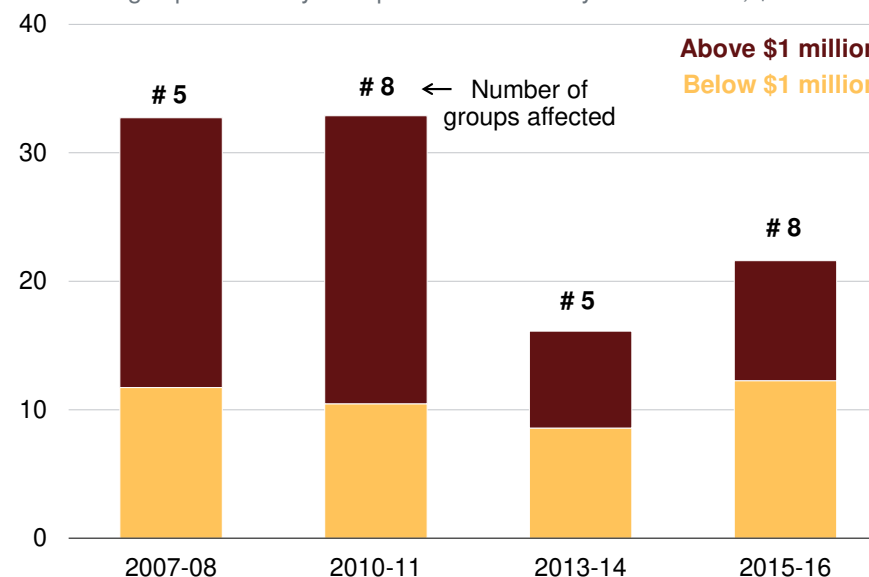
290. Blumer and Conifer (2016).

291. Year-round disclosure would enable the level of caps to be reviewed over time to ensure they are not unduly restrictive.

292. Currently third parties are expected to disclose all political expenditure over \$13,800, but substantial advertising campaigns have gone undisclosed (e.g. The Property Council of Australia's campaign to preserve negative gearing and capital gains tax discounts) because of a lack of awareness and enforcement. The current definition of 'political expenditure' also leaves room for interpretation and has the potential to capture a large number of small organisations.

Figure 5.1: A \$1 million cap would not affect many groups but would still significantly reduce advertising expenditure

Advertising expenditure by third parties in election years 2007-16, \$ millions



Notes: 'Advertising expenditure' refers to all publication and broadcast advertising which is required by law to be authorised. The groups affected in one or more election years are: the Alliance of Australian Retailers, the Association of Mining and Exploration Companies, the Australian Automobile Association, the ACTU, the Australian Education Union, the Australian Nursing Federation, the Business Council of Australia, the Focus on Australia Foundation, Forward Brisbane Leadership, GetUp!, Imperial Tobacco Australia, the Minerals Council of Australia, the National Business Action Fund, and Universities Australia.

Source: Grattan analysis of political expenditure returns, 2007-08 to 2015-16, AEC (2018d).

Box 13: Why not a donations cap or full public funding?

We do not recommend a cap on private donations, or full public funding of election campaigns (effectively, a donations cap of zero), for these reasons:

First, full public funding is probably unconstitutional. While it might reduce potential for corruption, it would significantly burden the implied freedom of political communication (Box 4).^a A cap on donations is less extreme than no private donations at all. Victoria and NSW both cap donations (currently at \$4,000 and \$6,300 respectively),^b and while the NSW cap has survived constitutional challenge,^c these restrictions have further drawbacks.

Restricting donations creates significant barriers to entry for new parties and could limit the ability of small parties to challenge incumbents.^d Public funding levels depend on the number of votes received, so new parties are particularly reliant on private donations to get going.

Low donations caps can erode incentives for politicians to engage with members and supporters, which could weaken links between parties and their members that can themselves be a check on special interest influence.^e

Donations caps would also impose a regulatory burden on donors. Donors would need to keep track of their payments to political parties, know whether they are a donation or receipt, and be aware of when they have reached the cap. In contrast, an expenditure cap puts the regulatory burden on the parties. Recent challenges associated with regulating foreign donors show how restricting the supply of donations can easily result in unintended consequences (Box 6).^f

Finally, donations caps may favour some political parties over others. Caps on private donations but not on the affiliation fees paid by some unions to the ALP would advantage Labor over other parties (Appendix B).^g But if affiliation fees were included, this would disadvantage the ALP.

If the intention is to reduce the influence of major donors, then a cap on political advertising expenditure would have this effect, while avoiding or reducing many of the problems listed above.

Notes: (a) It is not clear that banning small or moderate donations would improve representative democracy or prevent corruption or undue influence (Schott et al. (2014, p. 3)). (b) Electoral Act 2002 (Vic) and Electoral Funding Act 2018 (NSW). (c) McCloy v New South Wales. (d) Schott et al. (Ibid.). (e) Gauja (2014) and Rauch (2016). (f) Twomey (2018). (g) This is why the Coalition opposed Labor's donations reforms in Victoria (Willingham (2018)).

5.3.2 Boost countervailing voices

The other way to get more open policy debate is to boost the voices of under-represented groups. This is not always easy. Often groups are poorly represented because they are poorly resourced and organised. Yet citizen engagement is a core responsibility of politicians and public servants.²⁹³

One way to get better, more inclusive policy debates is to embrace policy review processes that actively seek out a range of voices. There are a range of institutions and processes that already facilitate this. Governments should use them actively, and continue to make sure they have sufficient resources:

- The Productivity Commission inquiry process is a best-practice example of broad consultation. It requests input from groups on all sides of a debate, publishes their submissions, holds public hearings to test the views of interested parties, publishes a draft that includes recommendations, and then holds another round of consultation on the draft. The government is required to table the Commission's findings and respond to recommendations within 25 sitting days.²⁹⁴
- The Senate and House committee hearing processes, while not as exhaustive, also draw out views from a range of parties and put them on the public record. Legislative committee hearings offer a timely opportunity to consult on and evaluate bills already under consideration by the parliament.
- The Office of Best Practice Regulation within the Department of Prime Minister and Cabinet encourages the public service to consult broadly when preparing Regulation Impact Statements,²⁹⁵

293. Holmes (2011); and Information And Privacy Commission NSW (2018).

294. PC (2014).

295. PM&C (2016).

which are required for every policy proposal designed to introduce or abolish regulation.²⁹⁶

Some of our other recommendations – particularly publishing ministerial diaries – will also create an incentive for greater input from under-represented groups in the policy development process. Ministers and their advisers are more likely to seek out other voices if they know that their consultation processes are on the public record.

But even with good policy and review processes – and the best intentions of decision-makers – a view can't be heard if there is no one to express it. This is a significant problem for diffuse groups, such as consumers and young people.

In some cases, government agencies can provide countervailing voices. The competition and consumer regulator, the ACCC, sometimes takes up the cause for consumers beyond its immediate charter of enforcing the Competition and Consumer Act. For example, ACCC Chair Rod Sims has very publicly berated state governments for structuring sales of public assets to maximise proceeds at the expense of competition and long-term consumer welfare.²⁹⁷ Similarly, the Essential Services Commission of Victoria, also a regulator, issued one of the earliest warnings that retail electricity competition wasn't working so well.²⁹⁸

The Harper Review of Competition Policy recognised a need for more consumer advocacy of this type. However, it concluded that the role of consumer advocate was an uneasy one for a regulator tasked with enforcing the law.²⁹⁹ The Harper Review called for a new

296. PM&C (2014).

297. Potter (2016); and Sims (2016).

298. Essential Services Commission (2013).

299. Numerous submissions to the Harper Review argued that effective regulation requires separation of policy design and implementation (Harper et al. (2015, pp. 447–449)).

government agency, the Australian Council for Competition Policy, whose responsibilities would include consumer advocacy.³⁰⁰ In the absence of such an agency, the ACCC and other regulators should more systematically advocate for consumer interests.

There is also a clear role for the ACCC in identifying policy changes that could make markets work better for consumers. Parliament should give the ACCC formal powers to initiate reviews into markets that are not delivering for consumers, and to make recommendations to relevant governments on changes to regulation. In most comparable economies the regulator has these powers.³⁰¹ From time to time the ACCC does undertake what it calls 'market studies',³⁰² but without formal information-gathering powers, or any established process for the government to respond to proposed changes to regulation, these reviews are not as effective as they could be.

For other under-represented groups without an obvious publicly-funded advocate, government should continue to offer financial support – especially to not-for-profit organisations that represent diffuse interests such as young people, older Australians, and people with a disability.³⁰³

There are also more innovative ways to incorporate the views of ordinary Australians in policy making. Some state and local governments and other groups have used citizens juries,³⁰⁴ people's

parliaments³⁰⁵ and online consultation hubs³⁰⁶ to seek views from the public.³⁰⁷ A consideration of these approaches is beyond the scope of this report, but a recognition that broad consultation can boost public faith in decision-making processes³⁰⁸ means these sorts of approaches are likely to become more common.

5.4 Conclusion

Australian political institutions are generally robust, but there is room for improvement. At times, special interests have used the tools at their disposal – donations, lobbying and public campaigns – to push policy towards their interests at the expense of the public interest. Our recommendations seek to reduce the risks of this type of 'policy capture' while still protecting the rights of individuals and groups to contribute to policy discussions.

Ultimately it remains up to politicians and public officials to assess and adjudicate the public interest. But better information can help them in making those assessments and will enable the public, media and parliament to hold them to account.

The solutions we propose aren't radical – they are in line with OECD recommended practice.³⁰⁹ They could make a real difference to the quality of public policy and boost the public's confidence that the system is working for them.

300. Ibid. (pp. 452–454).

301. Ibid. (p. 447).

302. This is a relatively new development. The ACCC has done only three of these studies to date: into the cattle and beef sector, communications, and new car retailing (ACCC (2018a)).

303. Commonwealth and state and territory governments currently give financial support to a range of advocacy groups that represent interests that would otherwise have even less voice, including the Foundation for Young Australians, the Council on the Ageing, and Disability Advocacy Network Australia.

304. For example, Melbourne City Council's People's Panel (Reece (2015b)).

305. For example, in NSW the Daily Telegraph organised a people's parliament of ordinary citizens and experts to debate priorities and legislative changes for the NSW Government (Daily Telegraph (2011)).

306. For example, the South Australian Government's *YourSAY*.

307. Holmes (2011); Information And Privacy Commission NSW (2018); and Department of Industry (2017).

308. Information And Privacy Commission NSW (2018).

309. OECD (2013); and OECD (2016).

Appendix A: Case studies of special interest influence

This appendix provides more details about the examples of special interest influence discussed in the report.

A.1 'Special deals' for special interests

Sydney casino licence

In February 2012, James Packer proposed building a hotel-casino on the Sydney Harbour foreshore at Barangaroo. The NSW premier and opposition leader were quick to back the idea, saying it would bring jobs and tourists to Sydney.³¹⁰

In August 2012, Packer personally pitched the project to Premier Barry O'Farrell. Just a week later, a requirement for independent evaluation of unsolicited proposals was removed.³¹¹ The general change may have been unrelated but it was an unfortunate coincidence. Two weeks after that, Packer formally lodged his proposal. Packer hired former Labor Senator Mark Arbib and former ALP National Secretary Karl Bitar to help secure Labor's support.³¹²

The unsolicited proposal won the backing of the NSW Cabinet in October 2012, survived a late counter-bid by Star Casino in 2013,³¹³ and won final approval from the NSW Government in 2016.³¹⁴ There was no competitive tender process.³¹⁵

310. Campion and A. Wood (2012).

311. Independent evaluation had previously been required before an unsolicited proposal could proceed without a tender process (Nicholls (2012)).

312. Patrick (2016); and Dowling (2013).

313. A steering committee chaired by David Murray was set up to compare the two proposals (NSW Government (2013) and Saulwick (2013)).

314. Raper and Glanville (2016).

315. Clennell and Lehmann (2013).

Other policy decisions specifically reduced the tax rate for the new casino,³¹⁶ exempted the development from smoke-free laws,³¹⁷ and carved the area out of the CBD 'lockout law' zone.³¹⁸

Catholic schools funding

In March 2018, the Catholic schools lobby received a pledge from federal Labor that they would be \$250 million better off in the first two years of a Labor Government and billions of dollars better off over a decade. The pledge has been criticised because it appears to undermine the 'Gonski' ideal of a single, needs-based funding model for all schools.

Labor claims the pledge is part of its existing policy to increase funding for all schools.³¹⁹ Indeed, the initial \$250 million over two years seems to cover the funding gap between Labor's 2016 election commitment and the Coalition's 'Gonski 2.0' funding model. But the 2016 commitment was made under the old school funding model and Labor is yet to explain how it would change the current needs-based funding formula to allocate the billions promised. Eventually Labor will have to explain what parts of the formula are being changed to justify the extra dollars, and whether those changes are being consistently applied to independent and government schools.

Whether or not this is a 'special deal', the timing is questionable. One week before the March 2018 Batman by-election, Bill Shorten wrote to Melbourne Archbishop Denis Hart to offer an extra \$250 million for

316. Saulwick (2013).

317. Patrick (2016).

318. Markham and M. Young (2015); and Bradley (2016).

319. Savage (2018).

Catholic schools in the first two years of a Labor Government.³²⁰ In the following week, the Catholic schools lobby made 30,000 robocalls urging residents of Batman to vote for Labor.³²¹ And the head of Catholic Education Melbourne, Stephen Elder, wrote a letter to all Catholic school parents in Batman.³²² Shorten personally called Elder on the night of the by-election win to thank the sector for its support.³²³

The Australian Charities and Not-for-Profits Commission is now investigating Catholic Education Melbourne's political activities during the Batman by-election.³²⁴

Transurban's unsolicited proposals

Toll road operator Transurban is building NorthConnex in NSW, the Logan Enhancement and Inner City Bypass upgrades in Brisbane, and the West Gate Tunnel and CityLink upgrades in Victoria.³²⁵ All were unsolicited proposals to government. Unsolicited proposals may throw up new ideas, but they also exclude competition since governments generally negotiate with the project proponent exclusively.³²⁶ These deals avoided normal tender processes.

Executives from Transurban met directly with both the NSW Premier and the Queensland Treasurer in 2017. The company is a client of a federal lobbying firm led by two former senior political advisers.³²⁷

320. McGowan (2018).

321. Benson (2018).

322. Savage (2018).

323. Benson (2018).

324. Le Grand (2018).

325. Transurban already controls 15 of the 19 toll roads in Australia, and the ACCC has now raised concerns over its near monopoly on private highways in Australia (Schneiders and Millar (2016a), Ludlow (2018) and ACCC (2018b)).

326. Angus (2017).

327. Grattan analysis of NSW and Queensland ministerial diaries (Queensland Government (2018) and NSW Government (2018)) and the Australian Government Lobbyists Register (PM&C (2018a)).

Transurban is the only entity that has been granted a toll road concession in Australia on the basis of an unsolicited proposal to state government since 1987.³²⁸

The projects are worth billions to Transurban in increases or extensions of existing tolls and additional government funding. The West Gate Tunnel project, for example, is expected to receive \$2.6 billion in state government funding and a further \$4 billion in financing from Transurban.³²⁹ As part of the deal, Transurban negotiated an extension on its CityLink tolling concession worth \$20-\$30 billion between 2035-2047.³³⁰ These deals are lucrative for Transurban in the long term. They protect the budget balances of governments in the short-term, but they risk poorer outcomes for taxpayers and drivers compared to a competitive tender process.³³¹

A.2 Special interests with a 'seat at the table'

Medicines Australia's involvement in pharmaceutical pricing

Consumers and taxpayers pay a lot more for medicines in Australia than in other countries.³³² These inflated costs can be traced, at least in part, to the influence of the pharmaceuticals industry over pricing arrangements agreed under the Pharmaceuticals Benefits Scheme (PBS).³³³ There are big dollars at stake. The government spent \$12 billion subsidising pharmaceuticals in 2016-17, and costs have been growing at more than 10 per cent per year.³³⁴ At least \$500

328. ACCC (2018b).

329. J. Edwards (2017).

330. The extension applies for 10-12 years from 2035, when Transurban's current tolling concession expires (Schneiders and Millar (2016b)).

331. Ludlow and Wiggins (2018).

332. PC (2015); and Duckett et al. (2013).

333. Duckett et al. (2013); Duckett and Breadon (2015); Duckett and Banerjee (2017); and PC (2015).

334. PBS Information Management Section (2017).

million a year could be saved by benchmarking drug prices to those of comparable countries and having prices set by an independent authority.³³⁵

The industry is heavily involved in choosing the data and methods used to calculate price gaps on drugs (the gap between government subsidy and full price).³³⁶ A joint working group of the Health Department and Medicines Australia – the peak body for the Australian pharmaceuticals industry – is described as ‘agreeing’ on and ‘determining’ how policy is designed and implemented.³³⁷

One of Medicines Australia’s main objectives is “building and maintaining relationships with government for fair reimbursement of medicines (through the PBS) to ensure the continuation of a viable medicines industry”.³³⁸ Medicines Australia is active in lobbying. It has an in-house government relations team,³³⁹ and is also a client of four different commercial lobbying firms, three of which employ former government representatives and advisers.³⁴⁰ The pharmaceuticals industry has a substantial say in PBS policy. Other voices, particularly those representing consumers, have considerably less input.

Union influence on Labor’s superannuation policy

The Australian Labor Party emerged out of the trade union movement and continues to have close ties to many unions. ALP-affiliated unions have substantial influence over party policy, accounting for half of delegates at state conferences that determine policy and at least a third of voting members at the party’s National Policy Forum.³⁴¹ Some

of this influence is out in the open – the union movement is part of the ALP’s DNA – but on some issues union influence is more opaque and perhaps less clearly aligned with the interests of its members.

Three separate independent inquiries have recommended more independent directors be appointed to the boards of superannuation funds.³⁴² Yet the ALP opposes this. Unions currently appoint about a third of all directors on industry fund boards,³⁴³ so a requirement for more independent directors would reduce the power of unions to choose directors. It would also be a direct hit to union finances, because some directors’ fees are paid to the union that employs them,³⁴⁴ and potentially an indirect hit to the ALP’s finances given unions are the party’s major donors.³⁴⁵ Large industry super funds on average outperform for-profit funds, but this does not mean their governance cannot be improved.³⁴⁶

A.3 Blocking reforms that have broad support

Climate change policy

Australia’s response to climate change has been inconsistent and lacking in direction for at least three decades.³⁴⁷ Opinion polls show

335. Duckett and Banerjee (2017).

336. Duckett and Breadon (2015).

337. Department Of Health (2014).

338. Medicines Australia (2018a).

339. Medicines Australia (2018b).

340. PM&C (2018a).

341. ALP (2015).

342. The three major reviews span different governments: Cooper (2010), Murray (2014), and the PC (2018). See Minifie (2015).

343. AFR (2017).

344. Some commentators estimate that of the \$22 million in directors’ fees paid to industry super fund board directors in 2017 (APRA (2018)), up to \$5 million was paid directly to unions (Begg and Breheny (2017)) as compensation for the time that union officials spend representing unionised workers’ interests on super fund boards.

345. Unions contributed more than 40 per cent of all donations to the ALP in 2015-16 and 2016-17. AEC (2018a).

346. Minifie (2015).

347. Talberg et al. (2016).

support for action on climate change peaked in 2006, when 68 per cent of Australians backed action 'even if this involves significant costs'.³⁴⁸

In 2007, both major parties went to the federal election with plans to introduce an emissions trading scheme to combat climate change. But after the election, the policy consensus was quickly derailed – partly by political manoeuvring and partly by special interests.

*Small groups of carbon-intensive firms, who would inevitably suffer most under a sound, national-interest policy proposal, were able to lobby much more powerfully than large groups like taxpayers or consumers, and arguably changed the proposal into something which better protects their special interests.*³⁴⁹

Kevin Rudd's Carbon Pollution Reduction Scheme failed to gain political support and was replaced by Julia Gillard's Clean Energy Futures package, which included a carbon price. The package passed Parliament, but only with the inclusion of overly-generous subsidies for emissions-intensive gas and coal industries added in response to intense lobbying.³⁵⁰

The carbon price was repealed in 2014, to the delight of special interests.³⁵¹ Major lobby groups spent more than \$300 million on advocacy between 2010 and 2014,³⁵² including on an anti-carbon-tax advertising campaign (Chapter 4).³⁵³ Companies in the energy and

mining sectors donated more than \$1 million to the Liberal Party in 2011-12 and 2012-13.³⁵⁴

Since then, the policy paralysis appears to have been the result of political and ideological divides rather than special-interest activism.³⁵⁵ But the result is that in 2018 Australia still lacks a credible mechanism to achieve its Paris Agreement commitments.³⁵⁶

A sugar tax

Australia's food and beverages industry has so far managed to keep proposals for a sugary drinks tax off the table, despite public health benefits and popular support.³⁵⁷ The World Health Organisation supports taxing sugary drinks to help reduce consumption of sugar.³⁵⁸ In 2016, Grattan Institute recommended introducing a tax on sugar-sweetened beverages to fund the additional health and welfare expenses sugary drinks create.³⁵⁹ The Australian Medical Association also backs such a tax "as a matter of priority" and argues "progress should not be slowed by [the food industry's] unwillingness".³⁶⁰

In its 2016 annual report, the lobby group representing the non-alcoholic beverages industry stated that: *The Beverages Council devoted significant resources to keeping a tax off the policy table of either the Government or Opposition, through direct engagement with key politicians. Whilst the Greens have stated their support for a tax, which is very much a risk going forward, as an industry we should be very pleased with the outcomes to date in this space.*³⁶¹

348. Lowy Institute (2018).

349. Pezzey et al. (2010).

350. T. Wood and Edis (2011). APPEA's 2011-12 annual report identifies some concessions it achieved: "APPEA continues to work to ensure that... government climate change policy does not hinder the oil and gas sector's growth" (APPEA (2012)).

351. Pearson (2014); and Latimer (2014).

352. This is the total revenue of five minerals lobby groups: the Minerals Council of Australia, the Australian Coal Association (now part of the MCA), the NSW Minerals Council, the Queensland Resources Council, and the Australian Petroleum Production and Exploration Association (Aulby (2017b)).

353. Lane (2011).

354. AEC (2013); and AEC (2012).

355. Butler (2017).

356. T. Wood (2017); and Griffiths (2017).

357. Essential (2018).

358. WHO (2015).

359. Duckett et al. (2016).

360. AMA (2018).

361. Australian Beverages Council (2016).

The food and beverages industry employs a range of lobbying strategies in Australia. It hires commercial lobbyists, donates to political parties, develops relationships with policy makers and funds research to influence debate on public health policies.³⁶² The major players – Coca-Cola, Nestle, McDonalds, Mars, Mondelez, and the Australian Food and Grocery Council – all have in-house and commercial lobbyists.³⁶³ Research into the lobbying practices of some of these firms found that Coca-Cola and McDonalds target constituency building and being ‘part of the solution’, while Nestle and the Australian Food and Grocery Council focus on framing the public debate, shaping the evidence base, and building relationships with policy makers.³⁶⁴

Sugar producers have also been vocal in opposing a sugary drinks tax, and politicians have been unwilling to take them on.³⁶⁵ The producers are a powerful group politically, because they are concentrated in marginal seats in North Queensland.³⁶⁶

Pokies reforms

Australians lose more money on gambling than anyone else in the world:³⁶⁷ the average Australian adult lost more than \$1,000 gambling in 2016³⁶⁸ – 49 per cent higher than the next largest losers.³⁶⁹ Most gambling losses are due to poker machines,³⁷⁰ which are much more common in Australian pubs and clubs than in other countries.³⁷¹

362. Mialon et al. (2016).

363. PM&C (2018a).

364. Mialon et al. (2016).

365. Webster and Zonca (2016).

366. Brissenden (2018).

367. The Economist (2017).

368. The Economist (ibid.). See also QGSO (2017, p. 5).

369. Singaporeans. The Economist (2017).

370. About \$600 per person annually (The Economist (ibid.) and QGSO (2017, p. 5)).

371. Excluding the holiday spots of Macau and Monaco, Australia has more poker machines per person than any other country (one for every 114 people according to Morton (2018)).

The social costs loom large.³⁷² In 2010, the Productivity Commission found that features of poker machines, such as the ability to play alone, the fast pace, and the tendency for players to ‘zone-out’ while playing, increase the risk of gambling-related harm.³⁷³ It recommended a national pre-commitment system to address these problems.³⁷⁴ In response, Independent MP Andrew Wilkie struck a deal with Julia Gillard in 2010 to support her minority government in exchange for the roll-out of a mandatory pre-commitment scheme.³⁷⁵

The idea was popular with voters at the time,³⁷⁶ but the policy soon became a thorn in the side of the Gillard government.³⁷⁷ In 2011 and 2012, there was an organised effort to overturn the proposed reforms. Clubs, hotels and other businesses that financially benefit from pokies fought the reforms,³⁷⁸ exaggerated the impacts, and ramped up their political donations over the period (Figure 3.8 in Chapter 3).³⁷⁹ They also ran a very effective advertising campaign.³⁸⁰

Livingstone and Johnson (2018) say the industry’s strategic use of donations may have convinced Labor that “the [poker machine] reforms

372. \$4.7 billion a year in 2010 (PC (2010, p. 48)). The net benefits of gambling (including tax revenue and consumer benefits) are positive, but the Productivity Commission found they could be much higher with more effective harm minimisation policies (PC (ibid., p. 6.1)).

373. Ibid. (pp. 25–26).

374. PC (ibid., pp. 10.1–10.44). Pre-commitment lets players set spending limits before they play, which gives people the “capacity to control their future selves”. Spending limits should be binding for pre-commitment to be most effective (PC (ibid., p. 27)).

375. M. Thomas (2016).

376. ABC News (2018).

377. Livingstone and Johnson (2017).

378. Poker machine operators made \$11 billion in profit in 2010–11, QGSO (2017, p. 145). Problem gamblers account for about 40 per cent of poker machine profits (PC (2010, p. 5.1)).

379. Particularly in 2010–11.

380. Panichi (2013); see also Ad News (2011) and YouTube (2011).

were not in the party's interests".³⁸¹ Coupled with a "highly effective" campaign in marginal seats, the industry's pattern of donations created a "very nervous Labor backbench, particularly in NSW" and put pressure on the party to back down.³⁸²

The Gillard government walked away from its agreement with Wilkie in early 2012, instead introducing watered-down legislation to tackle problem gambling.³⁸³ These modest reforms were repealed when the Abbott government won office in 2013.³⁸⁴ Political donations by the industry soon dropped back to the level they were at before any policy change was proposed (Figure 3.8). The advertising pressure from industry also subsided.

The industry also appears to have donated to state political parties with policies more aligned to their interests. The gambling industry donated significant amounts to both major parties in the lead-up to South Australian election earlier this year,³⁸⁵ but not the SA Best Party which focused on pokies reforms. The industry also actively campaigned against the ALP's proposal to remove poker machines from pubs and clubs in Tasmania.³⁸⁶ Tasmanians won't know for certain until next year whether the industry donated throughout the campaign.³⁸⁷ But there are suggestions that the industry heavily supported pro-pokies candidates and parties.³⁸⁸

381. Livingstone and Johnson (Attachment 1 2017, p. 8).

382. Livingstone and Johnson (2016).

383. M. Thomas (2016).

384. Livingstone and Johnson (2016).

385. Over the 2017 calendar year the Australian Hotels Associated contributed nearly \$50,000 to the Liberal Party, \$43,000 to the ALP, and \$20,000 to Cory Bernardi's Australian Conservatives (Opray (2018)). The Liberal Party and the ALP had similar policies on gambling reform at the election (Alliance for Gambling Reform (2018)).

386. Morton (2018).

387. Tasmania has the same donations disclosure regime as the Commonwealth, and so there are long lags before donations are published.

388. G. Burgess (2018).

A.4 Meeting with some but not others

The greyhound racing industry

Three months after announcing a ban on the greyhound racing industry in NSW Premier Mike Baird, reversed his decision. The ban, which was passed by the NSW Parliament in August 2016, was introduced in response to a year-long independent inquiry that found systemic animal cruelty across the industry. The Premier, in announcing the ban, urged the public to read the report: "It is horrific. It is damning. And it leaves the Government with no real choice but to take the action we have."³⁸⁹

But on 11 October that year, the Premier reversed the ban. And in the interim, his diary, and that of the Nationals Deputy Premier, show regular meetings with industry representatives³⁹⁰ – but no meetings with stakeholders that supported the ban, such as the RSPCA.³⁹¹

There were political factors at play too. The Nationals were not happy – 60 per cent of greyhound racing tracks in NSW are in regional areas – and several Nationals MPs broke ranks to vote against the ban.³⁹² We will never know what tipped the balance, but we do know that during the key months, the Premier and Deputy Premier consulted with one side of the debate but not the other.

389. Baird (2016).

390. The Premier and Deputy Premier met with 'greyhound industry representatives' on 14 July 2016, a week after the ban was announced, and again the following month. The Deputy Premier held a further four meetings with industry representatives in July and August 2016 (Grattan analysis of NSW ministerial diaries).

391. The first meeting with the RSPCA occurred on 11 October, the day the ban was reversed. After the ban was reversed, the government set up a panel to make recommendations on reforming the industry which included the heads of RSPCA NSW, the NSW Greyhound Racing Industry Alliance and the NSW Chief Veterinary Officer (NSW Department of Industry (2018)).

392. Glanville and Gerathy (2016).

Appendix B: Associated entities

Political parties can establish organisations to act as fundraising bodies or investment vehicles in support of the party. Other organisations may choose to align with a political party to give their cause a political voice – as some trade unions do. These organisations that act for or are run by a political party are known as ‘associated entities’. Political donations regulation includes explicit provisions for associated entities, to prevent parties from using these organisations to circumvent their disclosure requirements.

But current regulation of associated entities isn’t working. The definition of an associated entity in the Commonwealth Electoral Act is too loose, making it difficult to identify organisations that should be subject to disclosure requirements. The activities of associated entities have frustrated proper disclosure of donations in the past. And the disclosure threshold for political donations is too porous, which means a lot of money flows to associated entities from unknown sources.

The Commonwealth political donations regime is already weak; loose provisions on associated entities only make it weaker.

B.1 What is an associated entity?

The *Commonwealth Electoral Act 1918* (Cth) s 287 defines an associated entity as an entity:³⁹³

- (a) that is controlled by one or more registered political parties; or
- (b) that operates wholly or to a significant extent for the benefit of one or more registered political parties; or
- (c) that is a financial member of a registered political party; or

393. AEC (2018e) (as at May 2018).

- (d) on whose behalf another person is a financial member of a registered political party; or
- (e) that has voting rights in a registered political party; or
- (f) on whose behalf another person has voting rights in a registered political party.

Examples of associated entities include: unions, investment bodies, fundraising bodies, clubs, think tanks and service companies (Box 14).³⁹⁴ Some associated entities are also third-party campaigners, meaning they act for a political party but also represent other interests.

Most states follow the Commonwealth definition of associated entities. NSW is a notable exception; its definition is much narrower. In NSW, “an associated entity is a corporation or other entity that operates *solely* for the benefit of one or more State registered parties or elected members”.³⁹⁵

B.2 Investment vehicles and unions are the largest associated entity donors

Associated entities donated \$15 million to political parties in 2015-16 and 2016-17 (35 per cent of parties’ declared donations).³⁹⁶ They also contributed at least \$14.5 million to the parties via ‘other receipts’.³⁹⁷

394. Ibid.

395. NSWEC (2018) (emphasis added). On the other hand, the NSW definition of a third-party campaigner is broad compared to other states and the Commonwealth. NSWEC (ibid.).

396. \$9.8m in 2015-16 and \$5.2m in 2016-17. Party declarations to the AEC, 2015-16 and 2016-17 (AEC (2018a)); Grattan analysis.

397. At least \$8.7 in 2015-16 and at least \$5.8m in 2016-17. Party declarations to the AEC, 2015-16 and 2016-17 (AEC (ibid.)); Grattan analysis.

Investment vehicles were the largest donors. They gave \$6.3 million at the last election³⁹⁸ (most of which came from the Cormack Foundation). Associated unions were also large donors – they collectively donated \$5.2 million to the ALP.³⁹⁹ Eight of the top ten associated entity donors are unions (Figure B.1).

Some individual associated entities are major donors. In the 2016 election campaign, the Cormack Foundation contributed \$4.5 million, equivalent to more than a sixth of declared donations to the Coalition. The Shop, Distributive and Allied Employees Association (SDA) was Labor's largest associated entity contributor and gave \$1.35 million – about 10 per cent of ALP declared donations.⁴⁰⁰

B.3 Where the money comes from

The funding of associated entities is largely opaque. More than 75 per cent of the income flowing to the top ten associated entity donors came from undisclosed sources.⁴⁰¹

The income that is disclosed is not always illuminating. According to associated entity disclosures, the vast majority of their declared receipts were not donations but 'other receipts'.⁴⁰² Because the 'other receipts' category is murky (Section 3.6.1 on page 44), it's not possible to know whether associated entities' declared receipts came from

investment returns, rent paid for commercial property, or payments for a service such as income from fundraising dinners.

Box 14: Three types of associated entity

We identify three main associated entity 'types' that donate to the major parties:

Investment vehicles, such as the Cormack Foundation for the Liberal Party and the 1973 Foundation for the ALP. They declare most of their income (Figure B.2), which is mainly from banks and other investment bodies.

Union associated entities, such as the Shop, Distributive and Allied Employees Association (SDA) and United Voice, which support the ALP. Affiliated unions to the ALP pay subscription or membership fees and have voting rights in ALP state or territory party conferences. These unions are, *prima facie*, associated entities.^a Not all unions that donate are associated entities (and some state branches might not be, even if other branches from the same union are). For the purposes of this chapter, we combine donations from state branches of the same union for all branches that are an associated entity of the ALP.

Fundraising bodies are organisations that host fundraising events on behalf of the parties, for example, Progressive Business for the ALP, and The 500 Club for the Liberal Party. Most of their income comes from undeclared sources.

a. AEC (2011b).

398. \$3.8m in 2015-16 and \$2.5m in 2016-17. Grattan analysis of party declarations to the AEC, 2015-16 and 2016-17 (AEC (2018a)).

399. \$4.2m in 2015-16 and \$1.1m in 2016-17. Unions donated more than this overall – not all unions are associated entities, and unions do not exclusively donate to the ALP. Party declarations to the AEC, 2015-16 and 2016-17 (AEC (ibid.)); Grattan analysis.

400. Party declarations to the AEC, 2015-16 and 2016-17 (AEC (ibid.)); Grattan analysis.

401. For 2016-17 only. Some undeclared receipts are likely to be union membership fees. (AEC (2018f); Grattan analysis).

402. 'Other receipts' are any funds received that don't qualify as a gift (*i.e.* any receipt that is not a donation. Section 3.3 on page 33).

B.3.1 What we know

Most of the funding we know about comes from unions being paid by other unions (e.g. the SDA paying United Voice), and from retailers, financial institutions, and property developers (Figure B.2).

B.3.2 What we don't know

More than three quarters of the funding to the top ten associated entities is undeclared.⁴⁰³ Like political parties, associated entities are only required to disclose single donations or other receipts over \$13,800.

Some associated entities declare more funding than others (Figure B.3). Almost all receipts to the Cormack Foundation were declared, as were nearly all receipts to the 1973 Foundation.⁴⁰⁴ But almost none of the funding to The 500 Club or the Kooyong 200 Club was made public. Some unions declared 60 per cent of their receipts; others declared more than 90 per cent.⁴⁰⁵

B.4 How associated entities are regulated

Associated entities can be important sources of funding for political parties, so any political donations regime must take them into account. A system that regulates donations to the parties but not their associated entities would create incentives to channel political funding through non-party political organisations.

The states and the Commonwealth have different approaches to closing this loophole. At the federal level, associated entities have the

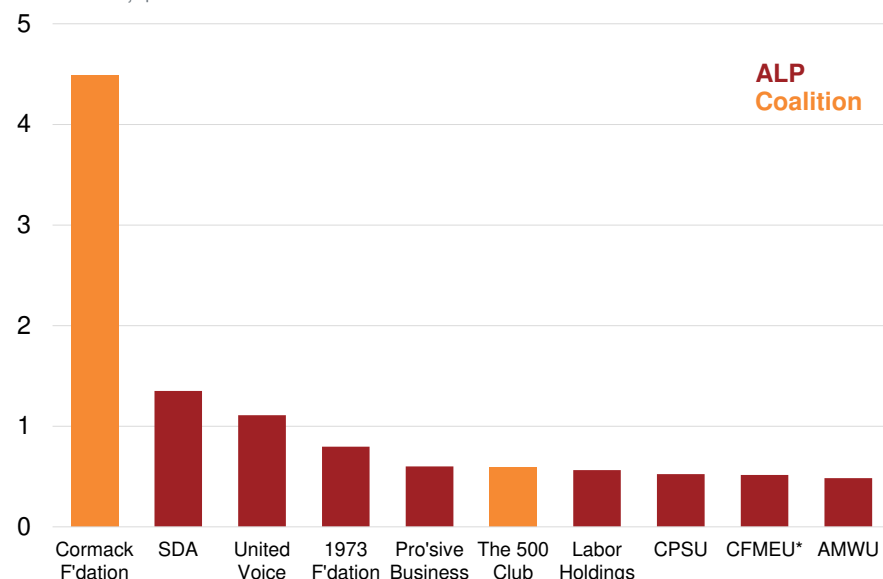
403. Grattan analysis of AEC annual returns.

404. Associated entity declarations to the AEC, 2015-16 and 2016-17 (AEC (2018g)); Grattan analysis.

405. Associated entity declarations to the AEC, 2015-16 and 2016-17 (AEC (ibid.)); Grattan analysis.

Figure B.1: Eight of the top ten associated entities are linked to the ALP, but the Cormack Foundation gave the most

Total declared donations to ALP and the Coalition, 2015-16 and 2016-17 combined, \$ millions



Notes: Chart shows the top ten largest associated entity donors by donations to the party they are associated with. * The CFMEU national office, which is not an associated entity of the ALP, gave \$90,000 in addition to the amount shown. Some associated entities donate to parties they are not associated with – these figures are not shown.

Sources: Party declarations to the AEC, 2015-16 and 2016-17 (AEC (2018a)); Grattan analysis.

same disclosure requirements as political parties. They must itemise private receipts above the disclosure threshold (currently \$13,800) and list them in an annual return to the AEC.⁴⁰⁶ They must also disclose the details of capital contributions (deposits) to funds that have been used to benefit a political party.⁴⁰⁷ State-level approaches differ, but states that have implemented donations or expenditure caps tend to include associated entities (and third parties) in the legislation.

B.4.1 Identifying associated entities can be tricky

Figuring out whether an organisation fits the definition of an associated entity is tricky. The Joint Standing Committee on Electoral Matters has identified three main weaknesses in the Commonwealth Electoral Act definition:⁴⁰⁸

1. it does not capture all entities that it should;
2. it captures some groups that do not have influence over political party affairs; and
3. some groups are captured while other, similar groups, are not.

The federal Electoral Commissioner, Tom Rogers, acknowledges the definition of associated entities “causes grief occasionally”.⁴⁰⁹ The AEC has suggested the definition be tightened,⁴¹⁰ to “make it easier

406. AEC (2018e).

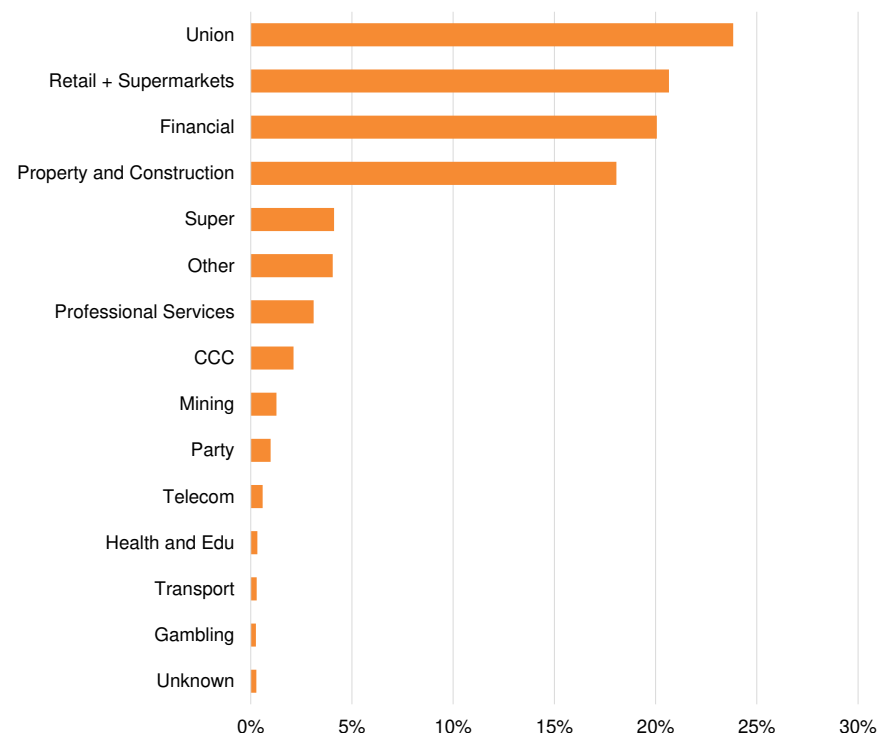
407. Ibid.

408. Joint Standing Committee On Electoral Matters (s.7.121 2011, p. 173).

409. Senate Finance and Public Administration Committees (1.15 2016, p. 3).

410. The AEC suggested the following changes (Joint Standing Committee On Electoral Matters (2011)): (1) defining ‘controlled’ in s287(1)(a) of the Act to include “the right of a party to appoint a majority of directors, trustees or office bearers”; (2) defining ‘to a significant extent’ in s287(1)(b) to include associated entities that distribute more than 50 per cent of their funds, entitlements, benefits and/or services to a political party in a financial year; (3) defining ‘benefit’ as used in s287(1)(b) to include the receipt of favourable, non-commercial arrangements where the party or its members ultimately receives the benefit.

Figure B.2: Associated entities’ receipts come from unions and business
Top 5 associated entities’ declared receipts, 2015-16 and 2016-17, per cent



Notes: The ‘top five’ refers to the five largest associated entities at the 2016 election, which were the Cormack Foundation, SDA, United Voice, the 1973 Foundation and Progressive Business. Payments between branches of the same union were excluded.

Sources: Associated entity declarations to the AEC, 2015-16 and 2016-17 (AEC (2018g)); Grattan analysis.

for everyone involved in the process to understand what an associated entity is".⁴¹¹

There is also no formal process for detecting associated entities. Political parties are not required to identify their associated entities with the AEC.⁴¹² The AEC identifies associated entities based on information in the public domain or contained in political party disclosure returns, or it relies on groups self-identifying as associated entities of their own accord.⁴¹³ Although there are penalties for non-disclosure, they might be waived if the associated entity submits a late disclosure return.⁴¹⁴

B.4.2 Regulating associated entities can be political

A challenge with associated entity regulation is to find a way to ensure regulations don't benefit the associated entities of one party over another.

Part of the problem is that different associated entity 'types' tend to support different parties – most notably unions overwhelmingly support the ALP.⁴¹⁵ The diversity of goals and activities of associated entities

411. Senate Finance and Public Administration Committees (1.15 2016, p. 3).

412. AEC (Attachment 11 2017a, p. 9).

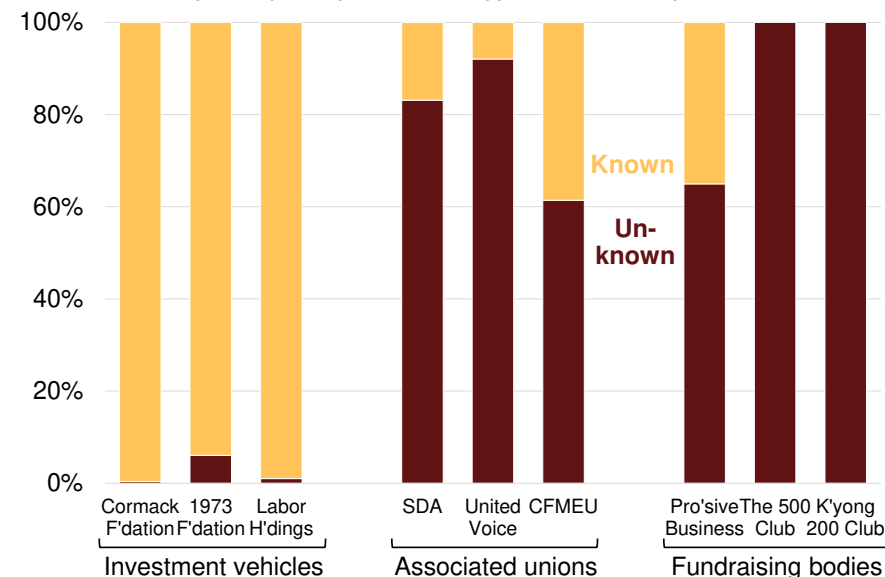
413. Ibid. (p. 9).

414. For instance, in one case an associated entity did not submit returns with the AEC for some years (partially because of the challenges in identifying associated entities). Although this was a breach of the Act, the matter was not pursued further once the returns were finally submitted (Senate Finance and Public Administration Committees (2016)).

415. Affiliated unions have a vote in party conferences and have a lot of sway over party policy. They might actively campaign for the ALP or policy outcomes at an election. But in advocating for their members they will also engage in activities that are unrelated or only somewhat related to the interests of the ALP. Investment vehicles or fundraising bodies, by contrast, tend to have a much lower public profile and may exclusively support their associated party through financial contributions.

Figure B.3: We don't know much about how associated entities are funded

Associated entity receipts, top 3 for each type, 2016-17 only



Note: These figures include declared tax returns, the internal movement of money, and returns on investments.

Sources: Associated entity declarations to the AEC 2016-17 (AEC (2018g)); Grattan analysis.

contributes to the complexity of regulating political donations and has caused Constitutional headaches for many would-be reformers.⁴¹⁶

Donations caps – a favourite of state regulators – especially tend to cause distortions. For instance in NSW, donations from associated entities to parties are subject to the same cap as all other donations, but party subscription fees paid by affiliated unions to the ALP are not.⁴¹⁷ The Coalition in Victoria withdrew support for a similar donations regime earlier this year, saying the caps “limit some donations to [Labor’s] political opponents but allow the unions to continue to financially support the Labor Party [through affiliation fees]”.⁴¹⁸

B.5 The need for reform

A 2016 Senate inquiry report on the regulation of associated entities concluded that challenges in identifying associated entities and the high thresholds for disclosure of their funding together “give donors a safe harbour from regulatory scrutiny”,⁴¹⁹ and it’s difficult to ‘follow the money’ between donors, associated entities and political parties.

Tightening the definition of an ‘associated entity’, as the AEC has suggested, is important in helping ensure existing legislation – and new provisions recommended in this report – are not circumvented.

Lowering the disclosure threshold and aggregating donations under the threshold (as we recommend in Section 5.1.3) would reduce the amount of non-itemised funding flowing through associated entities and would affect different associated entity types evenly, so long as membership fees over the threshold are also declared.

The cap on political advertising expenditure that we propose would also affect different kinds of associated entities more fairly than a cap on donations.

416. *e.g.* Bibby and Hasham (2013).

417. Up to a certain amount, depending on the membership numbers of the entity. NSWEC (2015).

418. Willingham (2018).

419. Senate Finance and Public Administration Committees (2016, p. 25).

Bibliography

- ABC News (2018). "Gambling survey finds support for pokies reform". *ABC News*.
<http://www.abc.net.au/news/2011-07-28/gambling-survey/2814092>.
- Abdel Fadil, M. (2013). "Crony Capitalism". *Independent Review* 17.4, pp. 541–559.
- ABS (2017). *Australian National Accounts: State Accounts, 2016-17*. Cat. No. 5220.0. Australian Bureau of Statistics. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5220.02016-17?OpenDocument>.
- ACCC (2018a). *Market Studies*. Australian Competition & Consumer Commission. <https://www.accc.gov.au/focus-areas/market-studies> (visited on 07/09/2018).
- (2018b). *Sydney Transport Partners Consortium (Including Transurban) – Proposed Acquisition Of Westconnex Interest*. Australian Competition & Consumer Commission. <http://registers.accc.gov.au/content/index.phtml/itemid/1205063/fromitemid/750991>.
- Acemoglu, D. and Robinson, J. (2012). "Why Nations Fail: Origins of Power, Poverty and Prosperity". *Crown Business*.
- Ad News (2011). *It's Un-Australian*.
<http://www.adnews.com.au/campaign/it-s-un-australian>.
- AEC (2011a). *Submission To The Joint Standing Committee On Electoral Matters On The Inquiry Into The Funding Of Political Parties And Election Campaigns*. Submission 19. Australian Electoral Commission.
https://www.aph.gov.au/parliamentary_business/committees/house_of_representatives_committees?url=em/political%20funding/subs.htm.
- (2011b). *Trade Unions as Associated Entities*. Australian Election Commission. https://www.aec.gov.au/Parties_and_Representatives/Party_Registration/Information_Sheets/Trade_Unions.htm.
- (2012). *Analyse Political Party Returns – 2011-12*. Australian Electoral Commission.
<https://periodicdisclosures.aec.gov.au/AnalysisParty.aspx>.
- (2013). *Analyse Political Party Returns – 2012-13*. Australian Electoral Commission.
<https://periodicdisclosures.aec.gov.au/AnalysisParty.aspx>.
- (2014). *Analyse Political Party Returns – 2013-14*. Australian Electoral Commission.
<https://periodicdisclosures.aec.gov.au/AnalysisParty.aspx>.
- (2016). *Analyse Political Party Returns – 2015-16*. Australian Electoral Commission.
<https://periodicdisclosures.aec.gov.au/AnalysisParty.aspx>.
- (2017a). *Submission to JSCEM inquiry into and report on all aspects of the conduct of the 2016 Federal Election and matters related thereto*. Submission 66. Australian Electoral Commission. https://www.aph.gov.au/parliamentary_business/committees/house_of_representatives_committees?url=em/political%20funding/report.htm.
- (2017b). *Financial Disclosure Compliance Framework*. Australian Election Commission. https://www.aec.gov.au/Parties_and_Representatives/compliance/index.htm.
- (2018a). *Analyse Political Party Returns 2016-17*. Australian Electoral Commission.
<https://periodicdisclosures.aec.gov.au/AnalysisParty.aspx>.
- (2018b). *Election Funding Guide*. Australian Electoral Commission.
https://www.aec.gov.au/parties_and_representatives/public_funding/election-funding.htm.
- (2018c). *Submission to the Select Committee into the Influence of Political Donations*. Submission 2. Australian Election Commission.
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Political_Influence_of_Donations/PoliticalDonations/Submissions.

- AEC (2018d). *Political Expenditure Summary – Annual Returns*. Australian Electoral Commission. <https://periodicdisclosures.aec.gov.au/SummaryPoliticalExpenditure.aspx>.
- (2018e). *Associated Entities*. Australian Election Commission. https://www.aec.gov.au/Parties_and_Representatives/financial_disclosure/guides/associated-entities/.
- (2018f). *Summary of all Associated Entity Returns – 2016-17*. Australian Electoral Commission. <https://periodicdisclosures.aec.gov.au/SummaryAssociatedEntity.aspx>.
- (2018g). *Analyse Associated Entity Returns*. Australian Electoral Commission. <https://periodicdisclosures.aec.gov.au/SummaryAssociatedEntity.aspx>.
- AFR (2017). “Bill Forcing A Third Independent Super Fund Directors Will Cause Shockwaves”. *Australian Financial Review*. <http://www.afr.com/brand/chanticleer/bill-forcing-a-third-independent-super-fund-directors-will-cause-shockwaves-20170911-gyf5ml>.
- Aggarwal et al. (2012). Aggarwal, R. K., Meschke, F. and Wang, T. Y. “Corporate Political Donations: Investment Or Agency?” *Business and Politics* 14.01, pp. 1–38. https://www.Cambridge.org/Core/Product/Identifier/S1369525800003399/Type/Journal_Article.
- Alliance for Gambling Reform (2018). *South Australian 2018 Election Policy*. http://www.pokiesplayyou.org.au/sa_election_policy.
- ALP (2015). *ALP National Constitution*. https://cdn.australianlabor.com.au/documents/alp_national_constitution.pdf.
- AMA (2018). *Nutrition–Ama Recommendations*. <https://ama.com.au/position-statement/nutrition-2018> (visited on 09/08/2018).
- Angus, C. (2017). *Unsolicited Proposals*. October. NSW Parliamentary Research Service: Issues Backgrounder, pp. 1–15. <https://www.parliament.nsw.gov.au/researchpapers/pages/unsolicited-proposals-issues-backgrounder.aspx>.
- Ansolabehere et al. (2003). Ansolabehere, S., Figueiredo, J. M. de and Jr, J. M. S. “Why is There so Little Money in U.S. Politics?” *Journal of Economic Perspectives* 17.1, pp. 105–130.
- APPEA (2012). Australian Petroleum Production and Exploration Association. https://www.appea.com.au/wp-content/uploads/2013/04/appea_yir12_web1.pdf.
- Appleby, G. (2014). “What’s The Case For A Federal ICAC?” *ABC News*. <http://www.abc.net.au/news/2014-09-10/appleby-whats-the-case-for-a-federal-icac/5733712>.
- APRA (2018). *Annual Fund-Level Superannuation Statistics*. Australian Prudential Regulation Authority. <https://www.apra.gov.au/publications/annual-fund-level-superannuation-statistics> (visited on 09/08/2018).
- Aulby, H. (2017a). *The tip of the iceberg: Political donations from the mining industry*. The Australia Institute. <http://www.tai.org.au/sites/default/files/P339%20Tip%20of%20the%20iceberg.pdf>.
- (2017b). *Undermining Our Democracy Foreign Corporate Influence Through The Australian Mining Lobby–Discussion Paper*. The Australia Institute. http://www.tai.org.au/sites/default/files/p307%20foreign%20influence%20on%20australian%20mining_0.pdf.
- Austin, P. and Millar, R. (2009). “\$10,000 to sit next to Brumby”. *Sydney Morning Herald*. <https://www.smh.com.au/national/10000-to-sit-next-to-brumby-20091102-htgr.html>.
- Australian Beverages Council (2016). *Australian Beverages Annual Report*. Australian Beverages Council. <https://www.smh.com.au/cqstatic/gz7s0g/annualreport.pdf>.
- Australian Government (2018a). *Lobbying Code of Conduct*. https://lobbyists.pmc.gov.au/conduct_code.cfm (visited on 01/07/2018).

- Australian Government (2018b). *Statement of Ministerial Standards*. February. Department of the Prime Minister and Cabinet.
<https://www.pmc.gov.au/sites/default/files/publications/statement-ministerial-standards.pdf>.
- (2018c). *Guidelines relating to Official Gifts received*.
<https://www.pmc.gov.au/government/official-gifts/guidelines-relating-official-gifts-received> (visited on 07/09/2018).
- Australian Public Service Commission (2017). *APS Values and Code of Conduct in practice*.
<https://www.apsc.gov.au/aps-values-and-code-conduct-practice> (visited on 07/09/2018).
- Axelrod, R. (1986). “An Evolutionary Approach To Norms”. *The American Political Science Review* 80.4, pp. 1095–1111.
<https://www.jstor.org/stable/1960858>.
- Baird, M. (2016). *Facebook post – 9 July*.
<https://www.facebook.com/mikebairdMP/posts/1136598769801696>.
- Banks, G. (2013a). “Restoring Trust in Public Policy: What Role for the Public Service?” *Garran Oration*. Canberra.
<https://static1.squarespace.com/static/563997f0e4b0d7adb678285e/t/58aa67b237c581c01316343e/1487562679971/The+Governance+of+Public+Policy+Lectures+in+Honour+of+Eminent+Australians.pdf>.
- (2013b). “Return of the Rent-Seeking Society?” *The Stan Kelly Lecture*. Melbourne.
<https://static1.squarespace.com/static/563997f0e4b0d7adb678285e/t/58aa67b237c581c01316343e/1487562679971/The+Governance+of+Public+Policy+Lectures+in+Honour+of+Eminent+Australians.pdf>.
- Bardhan et al. (1997). Bardhan, P., Berthelemy, J.-C., Goudie, A., Olson, M., Rodrik, D., Rose-Ackerman, S. and Shleifer, A. “Corruption And Development: A Review Of Issues”. *Journal Of Economic Literature* 35.3, pp. 1320–1346. <http://www.jstor.org/stable/2729979>.
- Barro, C. (2018). “Institute of Public Affairs growing but think tank remains tight-lipped about donors”. *The New Daily*.
<https://thenewdaily.com.au/news/national/2018/07/24/ipa-membership-donors/>.
- Baumgartner, F. R. and Leech, B. L. (2001). “Interest Niches And Policy Bandwagons: Patterns Of Interest Group Involvement In National Politics”. *The Journal of Politics* 63.4, pp. 1191–1213.
- Baumgartner et al. (2009). Baumgartner, F. R., Berry, J. M., Hojnacki, M., Kimball, D. C. and Leech, B. L. *Lobbying and Policy Change: Who Wins, Who Loses, and Why*. University of Chicago Press.
- Baumol, W. J. (1996). “Entrepreneurship: Productive, Unproductive, and Destructive”. *Journal of Business Venturing* 11.1, pp. 3–22. <https://www.Sciencedirect.com/Science/Article/abs/pii/088390269400014x>.
- Baxendale, R. (2018). “Attorney-General Christian Porter says passage of spy laws ‘urgent’”. *The Australian*.
<https://www.theaustralian.com.au/national-affairs/attorneygeneral-christian-porter-says-passage-of-spy-laws-urgent/news-story/e7d4cbc4f4bb5791c2efff64ed7b5a6>.
- Beecher, E. (2013). “The death of Fairfax and the end of newspapers”. *The Monthly* July.
<https://www.themonthly.com.au/issue/2013/july/1372600800/eric-beecher/death-fairfax-and-end-newspapers>.
- Begg, M. and Breheny, S. (2017). *Rivers Of Gold – How The Trade Union Movement Is Funded By Industry Super*. Nov. Institute Of Public Affairs. <https://ipa.org.au/publications-ipa/research-papers/rivers-gold-trade-union-movement-funded-industry-super>.
- Bell, S. and Hindmoor, A. (2014). “The Structural Power Of Business And The Power Of Ideas: The Strange Case Of The Australian Mining Tax”. *New Political Economy* 19.3, pp. 470–486.
- Belot, H. (2017a). “Malcolm Turnbull announces biggest overhaul of espionage, intelligence laws in decades”. *ABC Online*.
<http://www.abc.net.au/news/2017-12-05/turnbull-announces-foreign-interference-laws/9227514>.

- Belot, H. (2017b). "Robb 'didn't break rules' by taking \$880k job with Chinese billionaire". <http://www.abc.net.au/news/2017-06-07/andrew-robb-china-consultancy-role-billionaire-scott-ryan/8596854>.
- (2018). "Explainer: Here's what you need to know about the Government's foreign interference laws". *ABC Online*. <http://www.abc.net.au/news/2018-01-24/explainer-foreign-interference-laws/9356050>.
- Benson, S. (2018). "Labor Victory Fuelled By Catholic Education Backing". *The Australian*. <https://www.theaustralian.com.au/national-affairs/state-politics/labor-victory-fuelled-by-catholic-education-backing/news-story/00699507daa2db27714249a9e47287fc>.
- Berg et al. (1995). Berg, J., Dickhaut, J. and McCabe, K. "Trust, Reciprocity, And Social History". *Games And Economic Behavior* 10.1, pp. 122–142. <https://www.sciencedirect.com/science/article/pii/S0899825685710275>.
- Bertrand et al. (2011). Bertrand, M., Bombardini, M. and Trebbi, F. "Is It Whom You Know Or What You Know? An Empirical Assessment". *National Bureau Of Economic Research* 104.12, pp. 3885–3920.
- Besley et al. (2017). Besley, J., McCright, A., Martin, J., Elliot, K. and Zahry, N. "People don't trust scientific research when companies are involved". *The Conversation*. <https://theconversation.com/people-dont-trust-scientific-research-when-companies-are-involved-76848>.
- Bessen, J. E. (2016). *Accounting for rising corporate profits: intangibles or regulatory rents?* <https://www.bu.edu/law/files/2016/11/Accounting-for-Rising-Corporate-Profits.pdf>.
- Bibby, P. and Hasham, N. (2013). "High Court rules NSW political donations laws invalid". *Sydney Morning Herald*. <https://www.smh.com.au/national/nsw/high-court-rules-nsw-political-donations-laws-invalid-20131218-2zk8t.html>.
- Bilyk et al. (2018). Bilyk, C., Dastyari, S., Singh, L., Ludlam, S., Hanson-Young, S., Duniam, J., Paterson, J. and Xenophon, N. *Future of Public Interest Journalism*. Senate Select Committee on the Future of Public Interest Journalism. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Future_of_Public_Interest_Journalism/PublicInterestJournalism/Report.
- Binderkrantz et al. (2017). Binderkrantz, A. S., Bonafont, L. C. and Halpin, D. R. "Diversity in the News? A Study of Interest Groups in the Media in the UK, Spain and Denmark". *British Journal of Political Science* 47.2, pp. 313–328.
- Bishop, P. and Davis, G. (2002). "Community Consultation Symposium Mapping Public Participation In Policy Choices". 61.March, pp. 14–29. <http://www.blackwell-synergy.com/doi/abs/10.1111/1467-8500.00255>.
- Blackwood, E. (2017). "Queensland election: Party donations revealed in new real-time electronic disclosure". *ABC News*. <http://www.abc.net.au/news/2017-11-12/online-disclosure-reveals-queensland-election-party-donations/9141352>.
- Blanes i Vidal et al. (2012). Blanes i Vidal, J., Draca, M. and Fons-Rosen, C. "Revolving Door Lobbyists". *American Economic Review* 102.7, pp. 3731–3748.
- Blumer, C. (2016). "Election 2016 Ad Tracker: How Much Are The Parties Spending?" *ABC News*. <http://www.abc.net.au/news/2016-05-24/election-campaign-advertising/7400826>.
- Blumer, C. and Conifer, D. (2016). "Revealed: The Parties Spent \$10m To Put These 10 Ads On Your TV". *ABC News*. <http://www.abc.net.au/news/2016-06-30/election-2016-advertising-spending/7517528>.
- Bonardi et al. (2006). Bonardi, J.-P., Holburn, G. L. F. and Bergh, R. G. V. "Nonmarket Strategy Performance: Evidence From U.S. Electric Utilities". *Academy Of Management Journal* 49.6, pp. 1209–1228. <https://journals.aom.org/doi/abs/10.5465/amj.2006.23478676?journalcode=amj>.

- Bradley, M. (2016). "Casinos, Lock-Out Laws, And The Unravelling Of Mike Baird". *ABC News*. <http://www.abc.net.au/news/2016-03-17/bradley-baird-and-the-lock-out-laws/7251396>.
- Bragg, A. (2017). "Andrew Bragg on the web of money and influence in Australian left-wing politics". *Australian Financial Review*. <https://www.afr.com/opinion/columnists/andrew-bragg-on-the-web-of-money-and-influence-in-australian-leftwing-politics-20170910-gyeljc>.
- Brissenden, M. (2018). "Big Sugar And The 'Big Flaw' In Australia's Federal Health Programs". *ABC News*. <http://www.abc.net.au/news/2018-04-30/big-sugar-and-the-big-flaw-in-australias-health-programs/9707204>.
- Brou, D. and Ruta, M. (2013). "Rent-seeking, market structure, and growth". *Scandinavian Journal of Economics* 115.3, pp. 878–901.
- Brown et al. (2018). Brown, A., Graycar, A., Kelly, K., Coghill, K., Prenzler, T. and Janet Ransley. *A National Integrity Commission – Options For Australia*. August. Griffith University.
- Bruckner, T. (2017). "Think tanks, evidence and policy: democratic players or clandestine lobbyists?" *LSE Impact Blog*. <http://blogs.lse.ac.uk/impactofsocialsciences/2017/02/08/think-tanks-evidence-and-policy/>.
- Burgess, K. (2017). "Truth In Political Advertising Laws 'Unworkable', Act Electoral Commission Says". *Canberra Times* Jul. <https://www.canberratimes.com.au/national/act/truth-in-political-advertising-laws-unworkable-act-electoral-commission-says-20170725-gxi74t.html>.
- Burgess, G. (2018). "Tasmanian election: Liberals dispute claims of \$5 million campaign spend". *ABC News*. [http://www.abc.net.au/news/2018-03-05/tasmanian-liberals-reject-%5C\\$5-million-campaign-spend-claim/9510156](http://www.abc.net.au/news/2018-03-05/tasmanian-liberals-reject-%5C$5-million-campaign-spend-claim/9510156).
- Burstein, P. and Linton, A. (2002). "The Impact Of Political Parties, Interest Groups, And Social Movement Organizations On Public Policy: Some Recent Evidence And Theoretical Concerns". *Social Forces* 81.2, pp. 381–408.
- Butler, M. (2017). "How Australia bungled climate policy to create a decade of disappointment". *The Guardian*. <https://www.theguardian.com/australia-news/2017/jul/05/how-australia-bungled-climate-policy-to-create-a-decade-of-disappointment>.
- Caldwell, F. (2016). "Calls for all political donations to be banned in Queensland". *Brisbane Times* Jul.05. <https://www.brisbanetimes.com.au/politics/queensland/calls-for-all-political-donations-to-be-banned-in-queensland-20180705-p4zpr4.html> (visited on 31/07/2018).
- Cameron, S. M. and McAllister, I. (2016). *Trends in Australian Political Opinion Results from the Australian Election Study 1987–2016*. Australian National University. <http://australianelectionstudy.org/>.
- Campbell, R. (2015a). *Are there 27,000 jobs in the Galilee Basin?* The Australia Institute. <http://www.tai.org.au/content/are-there-27000-jobs-galilee-basin>.
- (2015b). "Fact check: Will Adani's coal mine really boost employment by 10,000 jobs?" *The Australian*. <https://www.theaustralian.com.au/business/business-spectator/fact-check-will-adanis-coal-mine-really-boost-employment-by-10000-jobs/news-story/903c1932738b1d1a1763c74e45f4d7c7>.
- Campion, V. and Wood, A. (2012). "Barry O'farrell Is Backing James Packer's Barangaroo Casino". *The Daily Telegraph* Feb.26. <https://www.news.com.au/finance/barry-ofarrell-is-backing-james-packers-barangaroo-casino/news-story/f6c45d6c811d183289160a8350d2cd18>.
- Canavan, M. (2016). *Canavan welcomes Adani's regional commitment*. Department of Industry, Innovation and Science. <https://www.minister.industry.gov.au/ministers/canavan/media-releases/canavan-welcomes-adanis-regional-commitment>.

- Canberra Times (2018). "Case For A Federal Anti-Corruption Watchdog Grows Stronger By The Day". *Canberra Times*.
<https://www.canberratimes.com.au/national/act/case-for-a-federal-anticorruption-watchdog-grows-stronger-by-the-day-20180111-h0gw45.html>.
- Cao et al. (2018). Cao, Z., Fernando, G. D., Tripathy, A. and Upadhyay, A. "The Economics of Corporate Lobbying". *Journal of Corporate Finance* 49, pp. 54–80. <https://doi.org/10.1016/J.Jcorpfin.2017.12.012>.
- Carbonell, R. (2010). *Mining industry wins the advertising war*. ABC.
<http://www.abc.net.au/worldtoday/content/2010/s2943169.htm>.
- Center for Responsive Politics (2018). *Total lobbying spending in the United States from 1998 to 2017*.
<https://www.opensecrets.org/lobby/index.php>.
- Chang, C. (2016). "Malcolm Turnbull's photo call with suburban family backfires". *news.com.au*.
<https://www.news.com.au/finance/economy/australian-economy/malcolm-turnbulls-photo-call-with-suburban-family-backfires/news-story/eff9e413d5e22467f5a006551671cc35>.
- Chari et al. (2010). Chari, R., Hogan, J. and Murphy, G. *Regulating Lobbying: A Global Comparison*. Manchester University Press.
- Chen et al. (2015). Chen, H., Parsley, D. and Yang, Y. W. "Corporate Lobbying and Firm Performance". *Journal of Business Finance and Accounting* 42.3-4, pp. 444–481.
- Chirinko, R. S. and Wilson, D. J. (2010). "Can Lower Taxes be Bought? Business Rent-seeking and Tax". *National Tax Journal* 63.4, pp. 967–993.
- Chivers et al. (2018). Chivers, C., Wood, D. and Griffiths, K. "Time for the federal government to catch up on political donations reform". *The Conversation*. <https://theconversation.com/new-style-lobbying-how-getup-channels-australians-voices-into-politics-60625>.
- Claessens et al. (2008). Claessens, S., Feijen, E. and Laeven, L. "Political connections and preferential access to finance: The role of campaign contributions". *Journal of Financial Economics* 88.3, pp. 554–580.
- Clarence, J. (2018). *Who funds Federal Parliamentarians' overseas travel?* June. Australian Strategic Policy Institute.
<https://www.aspi.org.au/report/who-funds-federal-parliamentarians-overseas-travel>.
- Cleary, P. (2011). *Too Much Luck: The Mining Boom And Australia's Future*. Melbourne, Australia: Schwartz Publishing Pty. Ltd. <http://ebookcentral.proquest.com/lib/unimelb/detail.action?docid=1887539>.
- Clennell, A. and Lehmann, J. (2013). "Billionaire James Packer Gets Green Light To Build Casino At Barangaroo". *The Daily Telegraph*.
<https://www.dailytelegraph.com.au/news/nsw/bookmakers-back-james-packers-crown-ltd-to-beat-echo-entertainments-the-star-in-barangaroo-battle/news-story/e24efa7a6fcaa07597a94b1bfbb31929>.
- Clore, G. L. and Huntsinger, J. R. (2007). "How Emotions Inform Judgment And Regulate Thought". *Trends In Cognitive Sciences* 11.9, pp. 393–399.
- Coghill, K. (2018). *Strengthening Integrity Assurance For Parliament And Politics*. Paper Presented At The National Integrity Systems Symposium In Canberra On 21 August, pp. 1–13.
<http://transparency.org.au/nis-symposium/>.
- Coghill et al. (2008a). Coghill, K., Donohue, R. and Holland, P. "Parliamentary Accountability To The Public – Developing MPs' Ethical Standards". *Australasian Parliamentary Review* 23.1, pp. 101–120.
- Coghill et al. (2008b). Coghill, K., Holland, P., Donohue, R., Rozzoli, K. and Grant, G. "Professional development programmes for members of parliament". *Parliamentary Affairs* 61.1, pp. 73–98.
- Commonwealth Parliamentary Association (2016). *Codes Of Conduct For Parliamentarians Handbook Updated 2016*. Feb. Commonwealth Parliamentary Association and Monash University. http://www.cpahq.org/cpahq/main/document_library/codes_of_conduct/codes_of_conduct_for_parliamentarians_handbook_updated_2016.aspx.

- Conger, J. (1998). "The Necessary Art Of Persuasion". *Harvard Business Review* 76.3, pp. 84–95. http://www.annbadillo.com/leadership/files/necessary_art_persuasion_jay_conger.pdf.
- Conlon et al. (2018). Conlon, G., Halterbeck, M. and Julius, J. *The economic impact of Group of Eight universities (Australia)*. London Economics. <https://londoneconomics.co.uk/blog/publication/economic-impact-group-eight-universities-australia/>.
- Cordis, A. S. and Milyo, J. (2013). "Do State Campaign Finance Reforms Reduce Public Corruption?", pp. 1–48.
- Cowan, S. (2018). "Should think tanks be forced to disclose their funders?" *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/should-think-tanks-be-forced-to-disclose-their-funders-20180802-p4zv4g.html>.
- Crikey (2010). "Spinning The Media: Key Findings In A Week In The Life Of The Media". *Crikey*. <https://www.crikey.com.au/2010/03/15/spinning-the-media-key-findings-in-a-week-in-the-life-of-the-media/>.
- Foreign Influence Transparency Scheme Bill 2018 (Cth). https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6018.
- Daily Telegraph (2011). "People's Parliament – The Atmosphere". *Daily Telegraph* March.11. <https://www.dailytelegraph.com.au/news/nsw/peoples-parliament-the-atmosphere/news-story/32dbe3f4f8a67b60279be2d8ebe62381?sv=732d873ff728bb34e0be2d6708d49ee3>.
- Daley, J. (2017). "What philanthropy, advocacy, and policy influencers can learn from political economy". *Philanthropy Meets Parliament Summit*. <https://grattan.edu.au/news/what-philanthropy-advocacy-and-policy-influencers-can-learn-from-political-economy/>.
- Daley, J. and Wood, D. (2016). "A Low Cost Way to Derail the Housing Debate". *Inside Story*. <https://insidestory.org.au/a-low-cost-way-to-derail-the-housing-debate/>.
- De Figueiredo, R. J. P. and Edwards, G. (2007). "Does Private Money Buy Public Policy? Campaign Contributions And Regulatory Outcomes In Telecommunications". *Journal Of Economics And Management Strategy* 16.3, pp. 547–576. <http://doi.wiley.com/10.1111/j.1530-9134.2007.00150.x>.
- Del Rosal, I. (2011). "The Empirical Measurement Of Rent-Seeking Costs". *Journal Of Economic Surveys* 25.2, pp. 298–325.
- Denniss, R. (2016). "Economists cook the books". *Australian Financial Review*. <https://www.afr.com/opinion/economists-cook-the-books-20160307-gnci3x>.
- Dent, C. and Kenyon, A. T. (2004). "Defamation Law's Chilling Effect: A Comparative Content Analysis of Australian and US Newspapers". *Media & Arts Law Review* 9, p. 89.
- Department of Finance (2017). *Reports on Campaign Advertising*. Commonwealth of Australia. <https://www.finance.gov.au/advertising/campaign-advertising-reports.html>.
- Department Of Health (2014). *Weighted Average Monthly Treatment Cost (WAMTC) User's Manual*. <http://www.pbs.gov.au/info/industry/pricing/pbs-items/wamtc-user-manual-calculator>.
- Department of Industry (2017). *Hidden in Plain Sight*. Department of Industry, Innovation and Science. <https://archive.industry.gov.au/innovation/Documents/OGP-Commitment-5.2-Discover-Report-Hidden-in-Plain-Sight.pdf>.
- Dinan, W. and Miller, D. (2007). *Thinker, Faker, Spinner, Spy: Corporate PR and the Assault on Democracy*. Pluto Press. <https://strathprints.strath.ac.uk/8798/>.
- Dow Jones (2018). *Factiva Database*. <https://www.dowjones.com/products/factiva/>.

- Dowling, J. (2013). "Casino Empire Grows With Help From Powerful Friends". *Sydney Morning Herald*. <https://www.smh.com.au/national/casino-empire-grows-with-help-from-powerful-friends-20130622-2opa0.html>.
- DPS (2017). *Senate Estimates – Finance and Public Administration Legislation Committee – 23 October*. http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=CO_MMITTEES;id=committees%5C%2Festimate%5C%2F879d8fd7-6921-4d1b-90e6-d66a015a5385%5C%2F0004;query=id%5C%3A%5C%22committees%5C%2Festimate%5C%2F879d8fd7-6921-4d1b-90e6-d66a015a5385%5C%2F0000%5C%22.
- Drill et al. (2015). Drill, S., Whinnett, E. and Minear, T. "Golf fanatic and millionaire businessman Paul Marks became the Liberals' best friend". *Herald Sun*. <https://www.heraldsun.com.au/news/victoria/golf-fanatic-and-millionaire-businessman-paul-marks-became-the-liberals-best-friend/news-story/82eca91bc350e4cac88360170c66d556>.
- Duckett et al. (2013). Duckett, S., Breadon, P., Ginnivan, L. and Venkataraman, P. *Australia's bad drug deal: high pharmaceutical prices*. Grattan Institute. <https://grattan.edu.au/report/australias-bad-drug-deal/>.
- Duckett, S. and Breadon, P. (2015). *Premium policy? Getting better value from the PBS*. Report No. 2015-3. Grattan Institute. <https://grattan.edu.au/report/premium-policy-getting-better-value-from-the-pbs/>.
- Duckett et al. (2016). Duckett, S., Swerissen, H. and Wiltshire, T. *A sugary drinks tax: recovering the community costs of obesity*. Report No. 2016-15. Grattan Institute. <https://grattan.edu.au/report/a-sugary-drinks-tax-recovering-the-community-costs/>.
- Duckett, S. and Banerjee, P. (2017). *Cutting A Better Drug Deal*. Report No. 2017-3. Grattan Institute. <https://grattan.edu.au/report/cutting-a-better-drug-deal/>.
- Duffy, C. (2016). "How Democratic Are These Backroom Pre-Selection Battles?" *ABC News*. <http://www.abc.net.au/news/2016-02-09/duffy-how-democratic-are-these-backroom-pre-selection-battles/7152792>.
- Dur, A. and Bievre, D. de (2007). "The question of interest group influence". *Journal of Public Policy* 27.1, pp. 1–12.
- Durkin, P. and Bleby, M. (2016). "Investors may lose \$1000 a year under Labor's negative gearing plan". *Australian Financial Review*. <http://www.afr.com/news/politics/investors-may-lose-1000-a-year-under-labors-negative-gearing-plan-20160214-gmntnvk>.
- Dwyer, T. and Muller, D. (2016). "FactCheck: is Australia's level of media ownership concentration one of the highest in the world?" *The Conversation*. <https://theconversation.com/factcheck-is-australias-level-of-media-ownership-concentration-one-of-the-highest-in-the-world-68437>.
- Easton, S. (2018a). "PM&C Shrugs Off Audit Of Toothless Federal Lobbying Rules". *The Mandarin*. <https://www.themandarin.com.au/88434-pmc-shrugs-off-audit-of-toothless-federal-lobbying-rules/>.
- (2018b). "National Integrity Commission: Got A Better Idea To Strengthen Public Trust?" *The Mandarin*. <https://www.themandarin.com.au/87951-national-integrity-commission-better-idea-to-strengthen-public-trust/>.
- ECQ (2018). *Disclosure Returns*. <https://www.ecq.qld.gov.au/candidates-and-parties/funding-and-disclosure/disclosure-returns> (visited on 15/04/2018).
- Edwards, B. (2017). *Submission To Select Committee Into The Political Influence Of Donations*. https://www.aph.gov.au/parliamentary_business/committees/senate/political_influence_of_donations/politicaldonations/submissions.
- Edwards, J. (2017). "Melbourne's West Gate Tunnel Project Cost Blows Out By \$1.2b". *ABC News*. <http://www.abc.net.au/news/2017-12-12/melbournes-west-gate-tunnel-project-cost-blows-out/9248994>.

- Edwards, B. (2018). "The Truth About Political Donations: There Is So Much We Don't Know". *The Conversation*.
<https://theconversation.com/the-truth-about-political-donations-there-is-so-much-we-dont-know-91003>.
- EFANSW (2011). *Annual Report 2010-11*. Election Funding Authority of NSW.
http://www.elections.nsw.gov.au/__data/assets/pdf_file/0016/206143/Annual-Report-2010-11.pdf.
- (2016). *Annual Report 2015-16*. Election Funding Authority of NSW.
http://www.elections.nsw.gov.au/__data/assets/pdf_file/0016/206143/Annual-Report-2010-11.pdf.
- Elections Canada (2018a). *Breakdown of Paid Election Expenses by Expense Category and Registered Political Party – 2015 General Election*.
<http://www.elections.ca/content.aspx?section=fin&dir=oth/pol/break&document=brk42ge&lang=e>.
- (2018b). *Political Financing*.
<http://www.elections.ca/content.aspx?section=fin&lang=e>.
- Elections NZ (2017). *part 3: Election Expenses, Donations and Loans*.
<https://www.elections.org.nz/party-secretary-handbook/part-3-election-expenses-donations-and-loans>.
- (2018). *Party Returns For The 2017 General Election*.
<https://www.elections.org.nz/events/2017-general-election/reports-statistics/party-returns-2017-general-election>.
- Essential (2018). *Sugar tax – Essential Report*.
<http://www.essentialvision.com.au/sugar-tax>.
- Essential Services Commission (2013). *Progress Of Electricity Retail Competition In Victoria: Research Paper*. Essential Services Commission. <https://www.esc.vic.gov.au/electricity-and-gas/electricity-and-gas-market-performance-and-reporting/electricity-retail-prices-and-margins-reporting-2013>.
- EuroPAM (2018). *EuroPAM Data*.
<http://europam.eu/?module=data-downloads>.
- European Institute for Public Participation (2009). *Public Participation in Europe: An international perspective*. June.
https://www.partizipation.at/fileadmin/media_data/Downloads/Zukunftsdiskurse-Studien/pp_in_e_report_03_06.pdf.
- Fantin, E. (2018). "Parliament Censures Former Minister Bruce Billson For Undeclared Payments". *ABC News*.
<http://www.abc.net.au/news/2018-03-27/parliament-censures-former-minister-bruce-billson/9593082>.
- FARE (2018). *Submission to the Select Committee into the Influence of Political Donations*. Submission 25. Foundation for Alcohol Research.
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Political_Influence_of_Donations/PoliticalDonations/Submissions.
- Fehr, E. and Gächter, S. (2000). "Fairness and Retaliation: The Economics of Reciprocity". *The Journal of Economic Perspectives* 14.3, pp. 159–181. <http://www.jstor.org/stable/2646924>.
- Filer et al. (2016). Filer, N., King, N. and Murry, Y. *Submission for Inquiry into Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2016*.
<https://www.aph.gov.au/DocumentStore.ashx?id=f76cdadc-488e-4615-ace5-034d27e55a7f&subId=412846>.
- Flavin, P. (2015). "Campaign Finance Laws, Policy Outcomes, And Political Equality In The American States". *Political Research Quarterly* 68.1, pp. 77–88.
- Forde, S. and Johnston, J. (2013). "The News Triumvirate: Public Relations, Wire Agencies And Online Copy". *Journalism Studies* 14.1, pp. 113–129.
- Fraussen, B. and Halpin, D. (2016). "Assessing The Composition And Diversity Of The Australian Interest Group System". *Australian Journal Of Public Administration* 75.4, pp. 476–491.
<https://onlinelibrary.wiley.com/doi/pdf/10.1111/1467-8500.12188>.

- Fyffe et al. (2017). Fyffe, A. et al. *At what price? The economic, social and icon value of the Great Barrier Reef*. Deloitte Access Economics. <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-great-barrier-reef-230617.pdf>.
- Gartrell, A. (2016). "No More 'Mediscars': Australians Want Political Truth In Advertising Laws". *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/no-more-mediscars-australians-want-political-truth-in-advertising-laws-20160708-gq1iu2.html>.
- Gartrell, A. and Bagshaw, E. (2018). "Malcolm Turnbull Tops List Of Australia's Largest Political Donors". *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/malcolm-turnbull-tops-list-of-australia-s-largest-political-donors-20180201-p4yz62.html>.
- Gauja, A. (2014). "Public funding of election campaigns won't end improper influence". *The Conversation*. <https://theconversation.com/public-funding-of-election-campaigns-wont-end-improper-influence-26091>.
- GetUp! (2018a). *Who We Are*. <https://www.getup.org.au/about>.
- (2018b). *Let's Take The Power Back*. <https://www.getup.org.au/campaigns/core-member-2016/election-strategy-launch/let-s-take-the-power-back>.
- GHD (2013). *Carmichael Coal Mine and Rail Project SEIS*. GHD. <http://eisdocs.dsdp.qld.gov.au/Carmichael%5C%20Coal%5C%20Mine%5C%20and%5C%20Rail/SEIS/Appendices/Appendix-E-Economic-Assessment-Report.pdf>.
- Gilens, M. and Page, B. I. (2014). "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens". *Perspectives on Politics* 12.3, pp. 564–581.
- Glanville, B. and Gerathy, S. (2016). "NSW Premier Mike Baird admits he 'got it wrong' after backflip on greyhound racing ban". *ABC*. <http://www.abc.net.au/news/2016-10-11/greyhound-ban-baird-government-confirms-backflip/7921000>.
- Gouldner, A. W. (1960). "The Norm of Reciprocity: A Preliminary Statement". *American Sociological Review* 25.2, pp. 161–178. <http://www.jstor.org/stable/2092623>.
- Gribbin, C. and Conifer, D. (2018). "'Significant' political donor bribed UN official, Government MP tells Parliament". *ABC News*. <http://www.abc.net.au/news/2018-05-22/chau-chak-wing-un-bribe-scandal/9788926>.
- Griffiths, K. (2017). "Australia's 'Nothing To See Here' Approach To Climate Policy". *Pursuit*. <https://pursuit.unimelb.edu.au/articles/australia-s-nothing-to-see-here-approach-to-climate-policy>.
- Grimmelikhuijsen et al. (2013). Grimmelikhuijsen, S., Porumbescu, G., Hong, B. and Im, T. "The Effect Of Transparency On Trust In Government: A Cross-National Comparative Experiment". *Public Administration Review* 73, pp. 575–586.
- Haber, S. (2002). "Introduction: The Political Economy Of Crony Capitalism". *Crony Capitalism And Economic Growth In Latin America: Theory And Evidence*. Hoover Institution Press. Chap. Introduction. https://www.hoover.org/sites/default/files/uploads/documents/0817999620_xi.pdf.
- Hadani, M. and Schuler, D. A. (2013). "in Search of El Dorado: The Elusive Financial Returns on Corporate Political Investments". *Strategic Management Journal* 34, pp. 165–181.
- Halpin, D. and Warhurst, J. (2015). "Commercial Lobbying In Australia: Exploring The Australian Lobby Register". *Australian Journal Of Public Administration* 75.1, pp. 100–111. <https://doi.org/10.1111/1467-8500.12159%7B%5C%7D0a>.
- Hannan, E. (2017). "CFMEU blamed for ALP preselection split". *The Australian*. <https://www.theaustralian.com.au/national-affairs/state-politics/cfmeu-blamed-for-alp-preselection-split/news-story/c122173413b2b5a5695f495ae370266d>.
- Harper et al. (2015). Harper, I., Anderson, P., McCluskey, S. and O'bryan, M. *Competition Policy Review: Final Report*. <http://competitionpolicyreview.gov.au/final-report/>.

- Hasham, N. (2018). "Federal Government To Lend Money To Adani Business Associates". *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/federal-government-to-lend-money-to-adani-business-associates-20180305-p4z2uy.html>.
- Head, B. W. (2007). "Community Engagement: Participation On Whose Terms?" *Australian Journal Of Political Science* 42.3, pp. 441–454.
- Henderson, A. and Bradfield, E. (2016). "Former resources minister Ian Macfarlane says new mining job complies with code of conduct". *ABC News*. <http://www.abc.net.au/news/2016-09-26/ian-macfarlane-appointed-to-run-queensland-mining-lobby/7876942>.
- Hetherington, M. J. and Husser, J. A. (2012). "How trust matters: The changing political relevance of political trust". *American Journal of Political Science* 56.2, pp. 312–325.
- Hill et al. (2013). Hill, M., Kelly, G., Lockhart, G. and Van Ness, N. "Determinants and Effects of Corporate Lobbying". 42.4, pp. 931–957. <https://pdfs.semanticscholar.org/1bf5/E6fdd5929e2fd7d61f13792c70deb5d3fbfd.Pdf>.
- Hogan et al. (2011). Hogan, J., Murphy, G. and Chari, R. "Regulating The Influence Game In Australia". *Australian Journal Of Politics And History* 57.1, pp. 102–113.
- Holmes, B. (2011). *Citizens' Engagement In Policymaking And The Design Of Public Services*. Research Paper No. 1 2011–12. Parliamentary Library. https://www.aph.gov.au/About_Parliament/Parliamentary_Department_s/Parliamentary_Library/%5C%20pubs/rp/rp1112/12rp01?print=1.
- House of Representatives Standing Committee (2011). *Draft Code of Conduct for Members of Parliament Discussion Paper*. House of Representatives Standing Committee of Privileges and Members' Interests. https://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=/pmi/reports/FinalCoC.pdf.
- Hunter, F. (2016). "Sam Dastyari Contradicted Labor Policy, Backed China's Position In Sea Dispute At Event With Donor". *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/sam-dastyari-contradicted-labor-policy-backed-chinas-position-in-sea-dispute-at-event-with-donor-20160901-gr60hv.html>.
- Hutchinson, S. (2018a). "Open books or lose funding, Cormack Foundation tells Libs". *The Australian*. <https://www.theaustralian.com.au/national-affairs/state-politics/open-books-or-lose-funding-cormack-foundation-tells-libs/news-story/d59e4bae069feaeff9676b73b534cc08>.
- (2018b). "Cormack Foundation lifts freeze on donating to Victorian Lib MPs". *The Australian*. <https://www.theaustralian.com.au/national-affairs/state-politics/cormack-foundation-lifts-freeze-on-donating-to-victorian-lib-mps/news-story/973b6b77c4ec2146fc91346645c2340a>.
- ICAC (2010). *Investigation into corruption risks involved in lobbying*. November. Independent Commission Against Corruption (ICAC). <https://www.icac.nsw.gov.au/docman/investigations/reports/3678-investigation-into-corruption-risks-involved-in-lobbying-operation-halifax/file>.
- (2016). *Investigation Into Nsw Liberal Party Electoral Funding For The 2011 State Election Campaign And Other Matters*. Independent Commission Against Corruption. <https://www.icac.nsw.gov.au/docman/investigations/reports/4869-operation-spicer-foreword-and-summary/file>.
- Information And Privacy Commission NSW (2018). *Charter For Public Participation – A Guide To Assist Agencies And Promote Citizen Engagement*. June. NSW Information and Privacy Commission. <https://www.ipc.nsw.gov.au/charter-public-participation-guide-assist-agencies-and-promote-citizen-engagement>.
- JERAA (2017). Submission to Senate Select Committee on the Future of Public Interest Journalism. Journalism Education & Research Association of Australia. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Future_of_Public_Interest_Journalism/PublicInterestJournalism/Submissions.

- Jewell, C. (2017). "Greens want donation reform after a look at minister's diary". *The Fifth Estate*.
<https://www.thefifthestate.com.au/business/government/greens-want-donation-reform-after-a-look-at-ministers-diary>.
- Johns, G. (2000). "Party Democracy: An Audit Of Australian Parties". *Australian Journal Of Political Science* 35.3, pp. 401–425.
- Joint Standing Committee On Electoral Matters (2011). *Inquiry Into The Funding Of Political Parties And Election Campaigns*. https://www.aph.gov.au/parliamentary_business/committees/house_of_representatives_committees?url=em/political%20funding/report.htm.
- Keane, B. (2016). "Why we're groping in the dark on political donations". *Crikey*. <https://www.crikey.com.au/2016/02/02/why-were-groping-in-the-dark-on-political-donations/>.
- Keane, S. (2017). *Submission to the Senate Select Committee on the Future of Public Interest Journalism*. Michael West (michaelwest.com.au). https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Future_of_Public_Interest_Journalism/PublicInterestJournalism/Submissions.
- Keane, B. (2017). "Labor would love to dump the SDA and help workers, but the money's too good". *Crikey*. <https://www.crikey.com.au/2017/08/28/labor-would-love-to-dump-the-sda-and-help-workers-but-the-moneys-too-good/>.
- Kimball et al. (2012). Kimball, D. C., Baumgartner, F. R., Berry, J. M., Hojnacki, M., Leech, B. L. and Summary, B. "Who Cares About The Lobbying Agenda?" *Interest Groups & Advocacy* 1.1, pp. 5–25.
<http://link.springer.com/10.1057/iga.2012.7>.
- Knott, M. (2015). "The Pharmacy Guild: the most powerful lobby group you've never heard of". *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/the-pharmacy-guild-the-most-powerful-lobby-group-youve-never-heard-of-20150401-1mckxl.html>.
- Komter, A. (2007). "Gifts And Social Relations: The Mechanisms Of Reciprocity". *International Sociology* 22.1, pp. 93–77.
<http://journals.sagepub.com/doi/abs/10.1177/0268580907070127>.
- La Pira, T. M. and Thomas, H. F. (2014). "Revolving door lobbyists and interest representation". *Interest Groups and Advocacy* 3.1, pp. 4–29.
<http://dx.doi.org/10.1057/iga.2013.16>.
- Lambie, J. (2017a). *Cleaning Up Canberra*. October. Jacqui Lambie Network, pp. 1–18. <https://www.lambienetwork.com.au/corruption>.
- (2017b). "Jacqui Lambie's plan to fix the lobbying racket in Canberra". *Sydney Morning Herald*.
<https://www.smh.com.au/opinion/jacqui-lambies-plan-to-fix-the-lobbying-racket-in-canberra-20171014-gz1006.html>.
- Lane, S. (2011). "Industry Launches Anti-Carbon Tax Campaign". *ABC News*. <http://www.abc.net.au/news/2011-07-21/industry-group-steps-up-carbon-ads/2803794>.
- Latimer, C. (2014). *Carbon Tax Repealed*. Australian Mining.
<https://www.australianmining.com.au/news/carbon-tax-repealed-2/> (visited on 09/08/2018).
- Le Grand, C. (2018). "Archbishops to question PM over future of Catholic charity". *The Australian*. <https://www.theaustralian.com.au/national-affairs/archbishops-to-question-pm-over-future-of-catholic-charity/news-story/f5e7959833a70ae1cf4845186b2ba34d>.
- Legislative Assembly Of Queensland (2018). *Code Of Ethical Standards*. Legislative Assembly Of Queensland. <https://www.parliament.qld.gov.au/documents/assembly/procedures/codeofethicalstandards.pdf>.
- Lenz, G. S. (2012). *Follow The Leader?: How Voters Respond to Politicians' Policies and Performance*. University of Chicago Press.
- Lessig, L. (2013). "Foreword: "Institutional corruption" defined". *The Journal of Law, Medicine & Ethics* 41.3, pp. 553–555.
- Levy, R. (2018). "The 'Elite Problem' In Deliberative Constitutionalism". *The Cambridge Handbook Of Deliberative Constitutionalism*. Ed. by R. Levy, H. Kong, G. Orr and J. King, pp. 351–369.
- Liebman, B. H. and Reynolds, K. M. (2006). "The Returns From Rent-Seeking: Campaign Contributions, Firm Subsidies And The Byrd Amendment". *Canadian Journal Of Economics* 39.4, pp. 1345–1369.

- Lillywhite, S. (2018). *Speech on a National Integrity Commission – Options for Australia*.
<http://transparency.org.au/tia/wp-content/uploads/2018/08/Lillywhite-Speech-NIC-Options-for-Australia.pdf>.
- Lindsey, B. and Teles, S. (2017). *The Captured Economy: How the powerful enrich themselves, slow down growth, and increase inequality*. Oxford University Press.
- Livingstone, C. and Johnson, M. (2016). "Paying The Piper And Calling The Tune? Following ClubsNSW's Political Donations". *The Conversation*.
<https://theconversation.com/paying-the-piper-and-calling-the-tune-following-clubsnsws-political-donations-60639>.
- (2017). *Select Committee Into The Political Influence Of Donations: Submission 18*. Canberra.
- Loewenstein et al. (1989). Loewenstein, G. F., Thompson, L. and Bazerman, M. H. "Social Utility And Decision Making In Interpersonal Contexts." *Journal Of Personality And Social Psychology* 57.3, pp. 426–441.
- Long, S. (2017a). "The Labor Insider Turned Adani Lobbyist Who Smoothed The Way For The Mega Mine". *ABC News*.
<http://www.abc.net.au/news/2017-11-23/the-labor-insider-who-lobbied-for-adani/9181648>.
- (2017b). "Pre-Election Coal Advertising Funded By Money Meant For Clean Coal Research". *ABC News*.
<http://www.abc.net.au/news/2017-02-20/coal-advertising-funded-by-money-meant-for-clean-coal-research/8287326>.
- Lopez, R. A. (2003). "Campaign Contributions And Agricultural Subsidies". *Economics And Politics* 13.3, pp. 257–279.
<http://doi.wiley.com/10.1111/1468-0343.00093>.
- Loughnane, B. (2011). *Kevin O'Lemon: Liberal Party Ad*.
<https://www.youtube.com/watch?v=wf3KovsW1Zo>.
- Lowy Institute (2018). *Lowy Institute Poll – Climate Change And Energy*. Lowy Institute.
<https://lowyinstitutepoll.lowyinstitute.org/climate-change-and-energy/>.
- Lucas, C. (2017a). *Expert Cut From Toll Road Project After Warning Tim Pallas It Did Not Stack Up*.
<https://www.theage.com.au/national/victoria/expert-cut-from-toll-road-project-after-warning-tim-pallas-it-did-not-stack-up-20170803-gxoohi.html>.
- (2017b). *West Gate Tunnel: Benefits Deliberately Distorted To Support Road, Says Expert*.
<https://www.theage.com.au/national/victoria/west-gate-tunnel-benefits-deliberately-distorted-to-support-road-says-expert-20170813-gxv9gd.html>.
- Lucas, A. (2018). "Revealed: The Extent Of Job-Swapping Between Public Servants And Fossil Fuel Lobbyists". *The Conversation*.
<https://theconversation.com/revealed-the-extent-of-job-swapping-between-public-servants-and-fossil-fuel-lobbyists-88695>.
- Lucas, A. and Holland, J. R. (2018). *Revolving Doors: How The Fossil Fuel Lobby Has Governments Ensnared*.
<https://www.michaelwest.com.au/revolving-doors-how-the-fossil-fuel-lobby-has-governments-ensnared/>.
- Ludlow, M. (2017). "Annastacia Palaszczuk has no regrets about Adani veto". *Australian Financial Review*.
<https://www.afr.com/news/politics/palaszczuk-has-no-regrets-about-lastminute-adani-veto-20171123-gzs0be>.
- (2018). "Transurban Says It Won't Cut Road Tolls In Qld, As Parliamentary Inquiry Looms". *Australian Financial Review*.
<https://www.afr.com/news/politics/transurban-facing-parliamentary-inquiry-into-toll-roads-in-queensland-20180613-h11d20>.
- Ludlow, M. and Wiggins, J. (2018). "Unsolicited proposals could be worse for taxpayers, ACCC warns". *Australian Financial Review*.
<https://www.afr.com/news/politics/unsolicited-proposals-could-be-worse-for-taxpayers-accc-warns-20180830-h14pw2>.

- Lusty, D. (2014). "Revival of The Common Law Offence of Misconduct in Public Office". *Criminal Law Journal* 38, pp. 337–363.
- Lux et al. (2011). Lux, S., Crook, T. R. and Woehr, D. J. "Mixing Business With Politics: A Meta-Analysis of The Antecedents and Outcomes of Corporate Political Activity". *Journal of Management* 37.1, pp. 223–247.
- Lynham, A. (2015). *Galilee basin coal jobs come one step closer*. The State of Queensland Department of the Premier and Cabinet. <http://statements.qld.gov.au/Statement/2015/4/18/galilee-basin-coal-jobs-come-one-step-closer>.
- Macnamara, J. (1993). "Public Relations & The Media: A New Influence In" Agenda-Setting" And Content". <http://dro.deakin.edu.au/view/du:30023323>.
- (2002). *The impact of PR on the media*. Public Relations Institute of Australia. <http://www.pria.com.au/sitebuilder/resources/knowledge/files/2140/primpactmedia.pdf>.
- Maher, S. (2018). "\$19bn hit in Labor negative gearing strike on investors: report". *The Australian*. <https://www.theaustralian.com.au/national-affairs/treasury/19bn-hit-in-labor-negative-gearing-strike-on-investors-report/news-story/71b662e838fe0e0588a452aae729d40f>.
- Malmendier, U. and Schmidt, K. (2017). "You Owe Me". *American Economic Review* 107.2, pp. 493–526. <http://piotr-evdokimov.com/aer.20140890.pdf>.
- Manning, P. (2014). "Martin Ferguson's revolving door puts energy industry in a spin". *Crikey*. <https://www.crikey.com.au/2014/06/17/martin-fergusons-revolving-door-puts-energy-industry-in-a-spin/>.
- Markham, F. and Young, M. (2015). "'Big Gambling': The Rise Of The Global Industry-State Gambling Complex". *Addiction Research And Theory* 23.1, pp. 1–4.
- Marsh, I. (1999). "Opening Up The Policy Process". Ed. by M. Sawer and S. Miskin. *Papers on Parliament* 34.
- Martin, P. (2016). "Negative gearing. Confused by the economic modelling? That's the whole idea". *Sydney Morning Herald*. <https://www.smh.com.au/opinion/negative-gearing-confused-by-the-economic-modelling-thats-the-whole-idea-20160304-gnab18.html>.
- Mather, J. and Coorey, P. (2018). "Labor open to stripping super from Fair Work". *Australian Financial Review*. <https://www.afr.com/personal-finance/superannuation-and-smsfs/labor-open-to-stripping-super-from-fair-work-20180530-h10qg0>.
- Mauro, P. (1995). "Corruption And Growth". *Quarterly Journal Of Economics* 110.3, pp. 681–712. <http://www.jstor.org/stable/2946696%20http://www.jstor.org/page/info/about/policies/terms.jsp>.
- MCA (2017). *MCA responses to questions from Senate Select Committee into the Political Influence of Donations*. Minerals Council Australia. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Political_Influence_of_Donations/PoliticalDonations/Additional_Documents.
- McCarthy, J. (2017). "Adani will create more than 10,000 jobs. Here's how". *The Courier Mail*. <https://www.qt.com.au/news/adani-will-create-more-than-10000-jobs-heres-how/3186206/>.
- McCombs, M. E. and Shaw, D. L. (1972). "The Agenda-Setting Function Of Mass Media". *Public Opinion Quarterly* 36.2, p. 176. <https://academic.oup.com/poq/article-lookup/doi/10.1086/267990>.
- McDermott et al. (2016). McDermott, Q., Denyer, W. and Mayeta, C. "Labor senator Sam Dastyari calls for total ban on political donations". *ABC News*. <http://www.abc.net.au/news/2017-07-31/senator-sam-dastyari-calls-for-ban-on-political-donations/8731048>.
- McGhee, A. (2016). "Nearly \$2m of political donations missing from AEC disclosures". *ABC News*. <http://www.abc.net.au/news/2016-02-19/%7B%5C%7D1.7m-of-political-donations-missing-from-party-disclosures/7178228>.

- McGowan, M. (2018). "Bill Shorten Pledges Extra \$250m For Catholic Schools If Labor Elected". *The Guardian*.
<https://www.theguardian.com/australia-news/2018/mar/09/bill-shorten-pledges-extra-250m-for-catholic-schools-if-labor-elected>.
- McGrath, C. (2006). "The Ideal Lobbyist: Personal Characteristics Of Effective Lobbyists". *Journal Of Communication Management* 10.1, pp. 67–79.
- McKeown, D. (2014). "Who pays the piper? Rules for lobbying governments in Australia, Canada, UK and USA". August, pp. 1–28. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/LobbyingRules#_Toc395015251.
- McKnight, D. and Hobbs, M. (2013). "Public Contest Through the Popular Media: the Mining Industry's Advertising War Against the Australian Labor Government". *Australian Journal of Political Science* 48.3, pp. 307–319.
- McInally, G. (2017). *Response to the Committee's Request for Information*. Nine Network. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Political_Influence_of_Donations/PoliticalDonations/Additional_Documents.
- McMenamin, I. (2013). *If money talks, what does it say?: Corruption and business financing of political parties*. Oxford: Oxford University Press.
- McPhedran, I. (2015). "Former Senior Defence Adviser Now Heading French Sub Builder". *News.com.au*.
<https://www.news.com.au/national/former-senior-defence-adviser-now-heading-french-sub-builder/news-story/9afdad459b857261f019743a7cd1165e>.
- MEAA (2018). *Media, Entertainment & Arts Alliance*. Fair Go Fairfax.
<https://www.meaa.org/campaigns/fair-go-fairfax/>.
- Media Watch (2013). *Disclosing the funding the think tanks*.
<http://www.abc.net.au/mediawatch/episodes/disclosing-the-funding-of-think-tanks/9980716>.
- (2016). "Conned or confused by economic modelling?" *ABC TV*.
<http://www.abc.net.au/mediawatch/episodes/conned-or-confused-by-economic-modelling/9973034>.
- Medicines Australia (2018a). *Our Role*.
<https://medicinesaustralia.com.au/about-us/our-role/>.
- (2018b). *Executive*.
<https://medicinesaustralia.com.au/about-us/executive/>.
- Merritt, C. (2018). "Seriously Flawed Or Just Plain Silly, ICAC Idea Is A Gift For Turnbull". *The Australian*.
<https://www.theaustralian.com.au/business/opinion/chris-merritt-prejudice/seriously-flawed-or-just-plain-silly-icac-idea-is-a-gift-for-turnbull/news-story/0d86c25303192c5ffb75f4e5d044ce29>.
- Mialon et al. (2016). Mialon, M., Swinburn, B., Allender, S. and Sacks, G. "Systematic Examination Of Publicly Available Information Reveals The Diverse And Extensive Corporate Political Activity Of The Food Industry In Australia". *BMC Public Health* 16.
<http://dx.doi.org/10.1186/s12889-016-2955-7>.
- Millar, R. and Schneiders, B. (2015). "Why is the union that represents supermarket workers stopping gay marriage?" *Sydney Morning Herald*. <https://www.smh.com.au/national/why-is-the-union-that-represents-supermarket-workers-stopping-gay-marriage-20150430-1mwl32.html>.
- Minifie, J. (2015). "Super Governance Not The Biggest Issue". *Money Management*.
<https://grattan.edu.au/news/super-governance-not-the-biggest-issue/>.
- (2017). *Competition in Australia: Too little of a good thing?* Report No. 2017-12. Grattan Institute.
<https://grattan.edu.au/report/competition-in-the-australian-economy/>.
- Ministerial and Parliamentary Services (2017). *Guidelines on Overseas Visits by Ministers*.
https://maps.finance.gov.au/entitlements_handbooks/ministers-of-state/Guidelines_on_Overseas_Visits_by_Ministers_-_Travel.

- Miskin, S. and Grant, R. (2004). *Political Advertising In Australia*. Parliamentary Library. <http://apo.org.au/system/files/504/apo-nid504-3676.pdf>.
- Mitchell, A. (2015). "Time to end outsourcing and rebuild the public service". *Australian Financial Review*. <https://www.afr.com/opinion/columnists/time-to-end-outsourcing-and-rebuild-the-public-service-20150612-ghmrje>.
- Moran, T. (2017). *Back in the game (Part 2)*. <https://johnmenadue.com/terry-moran-back-in-the-game-part-2-of-2/>.
- Morrison, S. (2016). *Doorstop interview, Canberra*. <http://sjm.ministers.treasury.gov.au/transcript/027-2016/>.
- (2017). *Labor will drive up rents, pushing more Australians into rental stress*. <http://sjm.ministers.treasury.gov.au/media-release/058-2017/>.
- Morton, A. (2018). "'Dirty little secret': is the pokies industry Australia's version of the NRA?" *The Guardian*. <https://www.theguardian.com/australia-news/2018/mar/14/dirty-little-secret-is-the-pokies-industry-australias-version-of-the-nra>.
- Muller, D. (2017a). *Election Funding and Disclosure in Australia: a Quick Guide to Recent Reforms and Current Issues – Parliament of Australia*. Parliamentary Library Australia. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1718/Quick_Guides/ElectionFunding.
- (2017b). *Election funding and disclosure in Australian states and territories: a quick guide – Parliament of Australia*. Parliamentary Library Australia. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1718/Quick_Guides/ElectionFundingStates.
- Murphy, J. (2018). "Are the Liberals too big to fail?" *Inside Story*. <http://insidestory.org.au/are-the-liberals-too-big-to-fail/>.
- K. M. Murphy et al. (1991). Murphy, K. M., Shleifer, A. and Vishny, R. W. "The Allocation Of Talent: Implications For Growth". *The Quarterly Journal Of Economics* 106.2, pp. 503–530. <https://academic.oup.com/qje/article-lookup/doi/10.2307/2937945>.
- K. M. Murphy et al. (1993). Murphy, K. M., Shleifer, A. and Vishny, R. "Why Is Rent-Seeking So Costly To Growth?" *The American Economic Review* 83.2, pp. 409–14.
- Murray, C. K. and Frijters, P. (2017). *Game Of Mates: How Favours Bleed The Nation*. Cameron Murray and Paul Frijters.
- National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2018 (Cth). https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6022.
- Nelson, T. E. and Garst, J. (2005). "Values-Based Political Messages And Persuasion: Relationships Among Speaker, Recipient, And Evoked Values". *Political Psychology* 26.4, pp. 489–515. <https://www.jstor.org/stable/3792572>.
- Ng, Y.-F. (2016). "Will Heads Roll? Ministerial Standards And Stuart Robert". *The Conversation*. <https://theconversation.com/will-heads-roll-ministerial-standards-and-stuart-robert-54479>.
- Nicholls, S. (2012). "How Casino Dodged Tender Trap". *Sydney Morning Herald*. <https://www.smh.com.au/national/nsw/how-casino-dodged-tender-trap-20121031-28kib.html>.
- Nicholls, S. and Feneley, R. (2012). "The Packer dynasty's long game". *Sydney Morning Herald*. <https://www.smh.com.au/national/nsw/the-packer-dynastys-long-game-20121026-28ay0.html>.
- Nisbet, M. C. and Huge, M. (2006). "Attention Cycles And Frames In The Plant Biotechnology Debate: Managing Power Participation Through The Press/Policy Connection". *Harvard International Journal Of Press/Politics* 11.2, pp. 3–40.

- Norington, B. (2018). "GetUp! accused of working 'in concert' with Labor for 2016 poll". *The Australian*. <https://www.theaustralian.com.au/national-affairs/getup-accused-of-working-in-concert-with-labor-for-2016-poll/news-story/b2c33166f94608be6a49247d3210594a>.
- NSW Department of Industry (2018). *Greyhound racing*. <https://www.industry.nsw.gov.au/about/our-business/department/racing/greyhound-racing>.
- NSW Electoral Commission (2017a). *Donations Caps*. http://www.elections.nsw.gov.au/fd/political_donations/caps_on_political_donations.
- (2017b). *Political Donations: What is a political donation?* NSW Electoral Commission. http://www.elections.nsw.gov.au/fd/political_donations.
- (2017c). *Caps on Electoral Expenditure*. http://www.elections.nsw.gov.au/fd/electoral_expenditure/caps_on_electoral_expenditure.
- NSW Government (2013). *Crown proposal moves to stage 3*. <https://www.nsw.gov.au/news-and-events/news/crown-proposal-moves-to-stage-3/>.
- (2018). *Ministers' Diary Disclosures*. <https://www.dpc.nsw.gov.au/publications/ministers-diary-disclosures/> (visited on 15/04/2018).
- NSWEC (2015). *Party subscriptions and membership fees*. http://www.elections.nsw.gov.au/fd/donors/political_donations/party_subscriptions_and_membership_fees.
- (2016). *Fact Sheet: Electoral Funding Act 2018*. Electoral Commission NSW. http://www.elections.nsw.gov.au/__data/assets/pdf_file/0010/263296/Fact_Sheet_-_Electoral_funding_Act_2018.pdf.
- (2017). *View Disclosures, 2016-17*. http://www.elections.nsw.gov.au/fd/disclosure/view_disclosures (visited on 15/04/2018).
- (2018). *Registration*. Election Commission NSW. <http://www.elections.nsw.gov.au/fd/registration>.
- OECD (2013). *OECD Principles for Transparency and Integrity in Lobbying*. Organisation for Economic Cooperation and Development. <http://www.oecd.org/gov/ethics/oecdprinciplesfortransparencyandintegrityinlobbying.htm>.
- (2014). *Lobbyists, Governments and Public Trust, Volume 3: Implementing The OECD Principles For Transparency and Integrity in Lobbying*. OECD Publishing. http://www.oecd-ilibrary.org/Governance/Lobbyists-Governments-And-Public-Trust-Volume-2_9789264084940-En.
- (2016). *Financing Democracy: Funding of Political Parties and Election Campaigns and The Risk of Policy Capture*. Paris: OECD Public Governance Reviews, OECD Publishing. <http://dx.doi.org/10.1787/9789264249455-En>.
- (2017). *Preventing Policy Capture*. Paris: OECD Public Governance Reviews, OECD Publishing.
- Olson, M. (1965). *The Logic of Collective Action: Public Goods and the Theory of Groups*. Harvard University Press.
- Opray, M. (2018). "South Australia's pokies lobby takes a bet each way to stop Nick Xenophon". *The Guardian*. <https://www.theguardian.com/australia-news/2018/mar/05/south-australia-election-pokies-lobby-takes-a-bet-each-way-to-stop-nick-xenophon>.
- Orr, G. and Gauja, A. (2014). "Third-Party Campaigning and Issue-Advertising in Australia". *Australian Journal of Politics & History* 60.1, pp. 73–92.
- OSCE (2018). *ODIHR election reports*. [https://www.osce.org/resources/documents?filters=+im_taxonomy_vid_1:\(24\)+im_taxonomy_vid_3:\(120\)](https://www.osce.org/resources/documents?filters=+im_taxonomy_vid_1:(24)+im_taxonomy_vid_3:(120)).
- Panichi, J. (2013). "The Lobby Group That Got More Bang For Its Buck". *Inside Story* July. <http://insidestory.org.au/the-lobby-group-that-got-much-more-bang-for-its-buck/>.
- Parliament of Australia (2018). *Parliamentary Privilege*. https://www.aph.gov.au/about_parliament/work_of_the_parliament/parliament_at_work/parliamentary_privilege.

- Pascoe, M. (2016). "Labor and coalition agree to keep tax lurk". *Sydney Morning Herald*.
<https://www.smh.com.au/business/the-economy/labor-and-coalition-agree-to-keep-tax-lurk-20160920-grjzsp.html>.
- Patel, U. (2016). "Sam Dastyari Steps Down From Labor Frontbench After Accepting Money From Chinese Donors". *ABC News*.
<http://www.abc.net.au/news/2016-09-07/sam-dastyari-steps-down-from-labors-front-bench/7823970>.
- Patrick, A. (2016). "James Packer, Lendlease Used Lure Of Jobs, Taxes To Overrule Planning Laws". *Australian Financial Review*.
<https://www.afr.com/news/politics/national/james-packer-lendlease-used-lure-of-jobs-taxes-to-overrule-planning-laws-20161206-gt4ws6>.
- PBS Information Management Section (2017). *PBS Expenditure And Prescriptions Twelve Months To 30 June 2017*. Department Of Health.
<http://www.pbs.gov.au/statistics/expenditure-prescriptions/2016-2017/expenditure-and-prescriptions-twelve-months-to-30-june-2017.pdf>.
- PC (2010). *Gambling Inquiry*. Productivity Commission.
<https://www.pc.gov.au/inquiries/completed/gambling-2009/report>.
- (2014). *A quick guide to the Productivity Commission*. Productivity Commission. <https://www.pc.gov.au/about/glance/quick-guide/productivity-commission-quickguide-2014.pdf>.
- (2015). *Efficiency In Health: Productivity Commission Research Paper*. Productivity Commission.
<https://www.pc.gov.au/research/completed/efficiency-health/efficiency-health.pdf>.
- (2018). *Superannuation: Assessing Efficiency and Competitiveness (Draft report)*. Productivity Commission. https://www.pc.gov.au/__data/assets/pdf_file/0003/228171/superannuation-assessment-draft.pdf.
- Pearson, B. (2014). *Carbon Tax Repeal Will Promote Jobs And Investment Growth*. Minerals Council Of Australia. http://www.minerals.org.au/news/carbon_tax_repeal_will_promote_jobs_and_investment_growth (visited on 24/06/2018).
- Pedersen et al. (2013). Pedersen, H. H., Halpin, D. and Rasmussen, A. "Who Gives Evidence To Parliamentary Committees ?" *Paper Prepared For Presentation At The General Conference Of The European Consortium For Political Research In Bordeaux, 5-7 September, 2013*.
- Pender, H. (2016). *Corporate Political Expenditure In Australia*. June. Canberra: Australasian Centre For Corporate Responsibility.
<http://www.accr.org.au/politics>.
- Perpitch, N. and Taylor, P. (2013). "McGowan puts unions on notice". *The Australian*. <https://www.theaustralian.com.au/national-affairs/state-politics/mcgowan-puts-unions-on-notice/news-story/111d91fdb6b8368d23b8ecad7f4df95e?sv=527912af8d521e8966ddaf3e0781ee83>.
- Petty et al. (1983). Petty, R. E., Cacioppo, J. T. and Schumann, D. "Central And Peripheral Routes To Advertising Effectiveness: The Moderating Role Of Involvement". *Journal Of Consumer Research* 10.2, pp. 135–146. https://www.jstor.org/stable/2488919?seq=1%7B%5C#%7Dpage_scan_tab_contents.
- Pezzey et al. (2010). Pezzey, J. C., Mazouz, S. and Jotzo, F. "The Logic Of Collective Action And Australia's Climate Policy". *Australian Journal Of Agricultural And Resource Economics* 54.2, pp. 185–202.
- PM&C (2014). *The Australian Government Guide To Regulation*. Department Of The Prime Minister and Cabinet.
<https://www.pmc.gov.au/resource-centre/regulation/australian-government-guide-regulation>.
- (2016). *Best Practice Consultation*. Guidance Note. Department Of The Prime Minister and Cabinet, Office Of Best Practice Regulation, pp. 1–11. <https://www.pmc.gov.au/sites/default/files/publications/best-practice-consultation.pdf>.
- (2018a). *Australian Government Register Of Lobbyists*.
<https://lobbyists.pmc.gov.au/>.
- (2018b). *Lobbyist Profile: Govstrat Pty Ltd*.
https://lobbyists.pmc.gov.au/register/view_agency.cfm?id=125.

- Potter, B. (2016). "ACCC's Rod Sims 'Exasperated' As Privatisations 'Increase Prices'". *Australian Financial Review*.
<https://www.afr.com/news/economy/acccs-rod-sims-exasperated-as-privatisations-increase-prices-20160726-gqdyjv>.
- Powell, L. W. (2012). *The Influence of Campaign Contributions in State Legislatures: The Effects of Institutions and Politics*. Ann Arbor: University of Michigan Press.
- QGSO (2017). *Australian Gambling Statistics: 1990-91 to 2015-16*. 33. Queensland Government Statisticians Office.
<http://www.qgso.qld.gov.au/products/reports/aus-gambling-stats/aus-gambling-stats-33rd-edn.pdf>.
- QIC (2018). *Register of lobbying contacts*.
<https://www.integrity.qld.gov.au/lobbyists/register-of-lobbying-contacts.aspx>.
- QLD Electoral Commission (2017). *Disclosure Returns*.
<https://www.ecq.qld.gov.au/candidates-and-parties/funding-and-disclosure/disclosure-returns>.
- Queensland Electoral Commission (2018). *Funding and Disclosure Handbook*. Queensland Electoral Commission.
https://www.ecq.qld.gov.au/__data/assets/pdf_file/0004/76657/State-Handbook-Funding-and-Disclosure-Manual-August-2018.pdf.
- Queensland Government (2016). "Ministerial Code Of Conduct". *Department Of The Premier And Cabinet*.
<https://www.premiers.qld.gov.au/publications/categories/policies-and-codes/handbooks/ministerial-handbook/appendices/appendix-1.aspx>.
- (2018). *Ministerial diaries*.
<https://www.cabinet.qld.gov.au/ministers/diaries.aspx> (visited on 15/04/2018).
- Raper, A. and Glanville, B. (2016). "James Packer's Sydney Casino And Hotel Approved For Barangaroo". *ABC News*.
<http://www.abc.net.au/news/2016-06-28/pac-approval-of-barangaroo-crown-casino-development/7549732>.
- Rauch, J. (2016). "How American Politics Became So Ineffective". *The Atlantic* July. <https://www.theatlantic.com/magazine/archive/2016/07/how-american-politics-went-insane/485570/>.
- Reece, N. (2015a). "How Australia's Cartel-Like Political Parties Drag Down Democracy". *Sydney Morning Herald*.
<https://www.smh.com.au/opinion/cartellike-political-parties-resist-change-20150809-giuywk.html>.
- (2015b). "Experiment Pays Off: Melbourne People's Panel Produces Quality Policy". *Sydney Morning Herald*.
<https://www.smh.com.au/opinion/experiment-pays-off-melbourne-peoples-panel-produces-robust-policy-20150628-ghzoz4.html>.
- (2016). "Why Scare Campaigns Like 'Mediscare' Work – Even If Voters Hate Them". Jul. <https://theconversation.com/why-scare-campaigns-like-mediscare-work-even-if-voters-hate-them-62279>.
- Registrar of Members' Interests (2018). *Register of Members' Interests – 45th Parliament – Parliament of Australia*.
https://www.aph.gov.au/Senators_and_Members/Members/Register (visited on 31/07/2018).
- Robertson, J. (2015). "Adani coalmine would not deliver jobs and royalties promised, land court hears". *The Guardian*. <https://www.theguardian.com/australia-news/2015/apr/27/adani-coalmine-would-not-deliver-jobs-and-royalties-promised-land-court-hears>.
- (2017). "Queensland Labor strategist announces he will stop lobbying for Adani". *The Guardian*.
<https://www.theguardian.com/business/2017/oct/16/queensland-labor-strategist-announces-he-will-stop-lobbying-for-adani>.
- Saulwick, J. (2013). "Packer on a good thing: roll your own tax rate". *Sydney Morning Herald*. <https://www.smh.com.au/business/packer-on-a-good-thing-roll-your-own-tax-rate-20130705-2phha.html>.
- Savage, G. (2018). "Why Is The Funding Of Catholic Schools So Controversial?" *ABC Opinion*. <http://www.abc.net.au/news/2018-03-27/why-is-the-funding-of-catholic-schools-so-controversial/9586148>.

- Schlozman et al. (2012). Schlozman, K. L., Verba, S. and Brady, H. E. *The Unheavenly Chorus: Unequal Political Voice And The Broken Promise Of American Democracy*. Princeton University Press, p. 693.
- Schneiders, B. and Millar, R. (2016a). "Toll Giant Transurban Wants to Charge for all Roads". *Sydney Morning Herald*.
<https://www.smh.com.au/national/toll-giant-transurban-wants-to-charge-for-all-roads-20160513-goup2i.html>.
- (2016b). "Citylink Users To Be Slugged Tens Of Billions Under Andrews Government Plan". *The Age*. <https://www.theage.com.au/business/citylink-users-to-be-slugged-tens-of-billions-under-andrews-government-plan-20160205-gmmahg.html>.
- Schott et al. (2014). Schott, K., Tink, A. and Watkins, J. *Political Donations – Final Report*. 1, p. 155.
https://www.dpc.nsw.gov.au/announcements/panel_of_experts_-_political_donations.
- Schwartz, B. (1967). "The Social Psychology Of The Gift". *American Journal Of Sociology* 73, pp. 1–11.
<https://www-jstor-org.ezp.lib.unimelb.edu.au/stable/2776124>.
- Schweizer et al. (2014). Schweizer, C., Puppis, M., Künzler, M. and Studer, S. *Public Funding of Private Media*. London School of Economics.
<http://blogs.lse.ac.uk/mediapolicyproject/>.
- Secombe, M. (2018). "Rinehart's secret millions to the IPA". *The Saturday Paper*. <https://www.thesaturdaypaper.com.au/news/politics/2018/07/28/rineharts-secret-millions-the-ipa/15327000006616>.
- Select Committee into the Political Influence of Donations (2018). *Political Influence of Donations*. http://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024147/toc_pdf/PoliticalInfluenceofDonations.pdf;fileType=application%7B%5C%7D2Fpdf.
- Senate Committee (2012). *Senate Code Of Conduct Inquiry*. Senate Standing Committee of Senators' Interests.
https://www.aph.gov.au/parliamentary_business/committees/senate/senators_interests/reports/022012/c01.
- Senate Finance and Public Administration Committees (2016). *Commonwealth legislative provisions relating to oversight of associated entities of political parties: final report*. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/legislative_provisions/Final_Report.
- Senate Select Committee (2017). *Select Committee on the National Integrity Commission: Report*.
https://www.aph.gov.au/select_integritycommission.
- Senate Standing Committee of Senators' Interests (2018). *Current Register*. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Senators_Interests/CurrentRegister (visited on 31/07/2018).
- Shanahan, D. (2011). *Miner Pushes Taxation 'Fairness'*.
<https://global-factiva-com.virtual.anu.edu.au/redir/default.aspx?p=s%7B%5C%7D%7Dan=austln0020111012e7ad0008e%7B%5C%7Dca%7B%5C%7D%7Dep=ase>.
- Sheila McKechnie Foundation (2018). *The Chilling Reality: How the Lobbying Act is affecting charity & voluntary sector campaigning in the UK*. Sheila McKechnie Foundation. <http://smk.org.uk/the-lobbying-act/>.
- Sherry, N. (2018). *LinkedIn profile*.
<https://www.linkedin.com/in/nicholas-sherry-38449b74/>.
- Sims, R. (2016). *Getting Privatisation Right*. <http://www.cis.org.au/events/rod-sims-on-the-barbed-topic-of-getting-privatisation-right/>.
- Smith, J. (2015). "Passion Or Dollars? How Mobilization Can Spoil The Mother's Milk Of Politics". *Political Research Quarterly* 68.2, pp. 253–265. <http://www.jstor.org/stable/24371830>.
- Special Minister Of State (2018). *Statement Of Standards For Ministerial Staff*. <https://www.smos.gov.au/resources/statement-of-standards.html>.
- Statement by Chairperson, NSW Electoral Commission (2016). http://www.elections.nsw.gov.au/__data/assets/pdf_file/0020/224363/22_September_2016_-_Liberal_Party_of_Australia_NSW_Division.pdf.

- Steel, S. (2010). *RSPT Polling And Low Hanging Fruit*.
<https://blogs.crikey.com.au/pollytics/2010/06/02/rspt-polling-and-low-hanging-fruit/>.
- Steketee, M. (2017). "Why we need full public funding of election campaigns". *Inside Story*. <https://insidestory.org.au/why-we-need-full-public-funding-of-election-campaigns/>.
- Sultan, N. M. (2017). "Election 2016: Trump's free media helped keep cost down, but fewer donors provided more of the cash". *Open Secrets*.
<https://www.opensecrets.org/news/2017/04/election-2016-trump-fewer-donors-provided-more-of-the-cash/>.
- Summers, W. (2018). "The bizarre reason Parliament House won't tell us who has a security pass". *Crikey*.
<https://www.crikey.com.au/2018/06/18/parliament-house-lobbyist-list-security/>.
- Sweeney, L. (2017). "Sam Dastyari resigns, says he does not want to 'detract from Labor's mission'". *ABC News*. <http://www.abc.net.au/news/2017-12-12/sam-dastyari-resigns-from-parliament/9247390>.
- Talberg et al. (2016). Talberg, A., Hui, S. and Loynes, K. "Australian climate change policy : a chronology". *Parliamentary Library* 8, p. 21.
http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/2875065/upload_binary/2875065.pdf;fileType=application/pdf.
- Taliento, L. and Madgavkar, A. (2016). "Power with purpose: How women's leadership boosts the economy and society". *Devex*. <https://www.mckinsey.com/mgi/overview/in-the-news/power-with-purpose>.
- Teles, S. (2013). "Kludgeocracy In America". *National Affairs* 36.
<https://www.nationalaffairs.com/publications/detail/kludgeocracy-in-america>.
- Tham, J.-C. (2010). *Money and politics: the democracy we can't afford*. Sydney, N.S.W: University of New South Wales Press Pty Ltd.
- (2012). "Establishing a Sustainable Framework for Election Funding and Spending Laws in New South Wales: A Report Prepared for the New South Wales Electoral Commission".
https://www.elections.nsw.gov.au/publications/reports/commissioned_reports/20121113_Joo-Cheong_Tham_-_Establishing_A_Sustainable_Framework_for_Election_Funding_and_Spending_Laws_in_New_South_Wales_final_report.pdf.
- Tham, J.-C. and Anderson, M. (2016). "Taking Xenophobia Out Of The Political Donation Debate". *Inside Story*.
<http://insidestory.org.au/taking-xenophobia-out-of-the-political-donation-debate/>.
- The Economist (2017). "Australians spend more on gambling than people anywhere else". *The Economist*.
<https://www.economist.com/asia/2017/03/16/australians-spend-more-on-gambling-than-people-anywhere-else>.
- The Electoral Commission (UK) (2018). *Donations and loans reported every quarter by political parties*.
<https://www.electoralcommission.org.uk/find-information-by-subject/political-parties-campaigning-and-donations/donations-and-loans-to-political-parties/quarterly-donations-and-loans>.
- The World Bank (2018). *DataBank*.
<http://databank.worldbank.org/data/home.aspx>.
- Thomas, C. S. (1998). "Interest Group Regulation Across The United States: Rationale, Development And Consequences". *Parliamentary Affairs* 51.4, pp. 500–515.
- Thomas, M. (2016). *Gambling: a reprise for reform?* Parliamentary Library Briefing Book – 45th Parliament.
https://www.aph.gov.au/About_Parliament/Parliamentary_Department_s/Parliamentary_Library/pubs/BriefingBook45p/Gambling.
- Transparency International (2018). *Corruption Perceptions Index 2017 survey results*. https://www.transparency.org/news/feature/corruption_perceptions_index_2017.

- Transparency International Australia (2017). *Corruption Risks: Mining Approvals in Australia*. https://transparency.org.au/tia/wp-content/uploads/2017/09/M4SD-Australia-Report_Final_Web.pdf.
- (2018). *Rising Corruption Concern Drives Support For Federal Integrity Body: Global Corruption Barometer Survey Results*. <https://transparency.org.au/media-release-gcb-survey-2018/>.
- Tullock et al. (2002). Tullock, G., Seldon, A. and Brady, G. *Government Failure: A Primer in Public Choice*. Cato Institute.
- Twomey, A. (2014). *Working Paper 5 – Reconsidering The Reform Of Political Donations , Expenditure And Funding In New South Wales*. September. https://www.dpc.nsw.gov.au/assets/media-news/95/attachments/61c4469312/working_paper_5_-_professor_twomey_-_political_donations_revisited_2014.pdf.
- (2015). *Report Of Proceedings Before Joint Standing Committee On Electoral Matters Inquiry Into The Final Report Of The Expert Panel — Political Donations And The Government ' S Response*. <https://www.parliament.nsw.gov.au/committees/dbassets/inquiryevent/transcript/transcript/8800/transcript--public%20hearing%20no.1--30%20october%202015.pdf>.
- (2018). “Federal Government’s Foreign Donations Bill Is Flawed And Needs To Be Redrafted”. *The Conversation*. <https://theconversation.com/federal-governments-foreign-donations-bill-is-flawed-and-needs-to-be-redrafted-92586>.
- Uhlmann, C. and Greene, A. (2017). “Chinese donors to Australian political parties: who gave how much?” *ABC News*. <http://www.abc.net.au/news/2016-08-21/china-australia-political-donations/7766654>.
- UK Advertising Standards Authority (2014). *Political advertising*. <https://www.asa.org.uk/news/political-advertising.html>.
- UK Electoral Commission (2018a). *Political party spending at elections*. <https://www.electoralcommission.org.uk/find-information-by-subject/political-parties-campaigning-and-donations/political-party-spending-at-elections>.
- (2018b). *Public funding for parties*. <https://www.electoralcommission.org.uk/find-information-by-subject/political-parties-campaigning-and-donations/public-funding-for-parties>.
- (2018c). *Guidance on reporting donations and loans*. <https://www.electoralcommission.org.uk/i-am-a/party-or-campaigner/guidance-for-political-parties/reporting-donations-and-loans>.
- Van der Graaf et al. (2016). Van der Graaf, A., Otjes, S. and Rasmussen, A. “Weapon of the weak? The social media landscape of interest groups”. *European Journal of Communication* 31.2, pp. 120–135.
- Van Onselen, L. (2014). “Why the public service has become impotent”. *Macrobusiness*. <https://www.macrobusiness.com.au/2014/08/why-the-public-service-has-become-impotent/>.
- Vromen, A. (2016). “New style lobbying: how GetUp! channels Australians’ voices into politics”. *The Conversation*. <https://theconversation.com/new-style-lobbying-how-getup-channels-australians-voices-into-politics-60625>.
- Walker, T. (2017). “Dastyari saga shows the need for donations reform, and for politicians to take more care”. *The Conversation*. <https://theconversation.com/dastyari-saga-shows-the-need-for-donations-reform-and-for-politicians-to-take-more-care-88382>.
- Waller, D. (2016). “‘Mediscare’ Campaign Shows The Power Of Negative Advertising”. *The Conversation*. <https://theconversation.com/mediscare-campaign-shows-the-power-of-negative-advertising-61990>.
- Ward, I. (2009). “Lobbying As A Public Affair: Pr And Politics In Australia”. *Anzca09 Communication, Creativity And Global Citizenship* July, pp. 1039–1056.

- Webster, L. and Zonca, C. (2016). "Nationals' Leader Barnaby Joyce Rules Out Support For Sugar Tax While Visiting North Queensland Cane Heartland". *ABC News*. <http://www.abc.net.au/news/rural/2016-09-22/nationals-leader-barnaby-joyce-rules-out-support-for-sugar-tax/7867538>.
- West, M. (2017a). *Corporate lobbying a billion dollar business*. <https://www.michaelwest.com.au/corporate-lobbying-a-billion-dollar-business/>.
- (2017b). "Why are we still pursuing the Adani Carmichael mine?" *The Conversation*. <https://theconversation.com/why-are-we-still-pursuing-the-adani-carmichael-mine-85100>.
- Wheeler, C. (2006). *The public interest: we know it's important but do we know what it means*. Australian Institute of Administrative Law Forum No. 48. <http://www5.austlii.edu.au/au/journals/AIAdminLawF/2006/2.pdf>.
- WHO (2015). *Fiscal Policies For Diet And The Prevention Of Noncommunicable Diseases*. May. World Health Organisation. <http://www.who.int/dietphysicalactivity/publications/fiscal-policies-diet-prevention/en/>.
- Willingham, R. (2015). "Sunday explainer: the factions running the ALP". *The Age*. <https://www.theage.com.au/national/victoria/sunday-explainer-the-factions-running-the-alp-20150619-ghryk0.html>.
- (2018). "Political Donation Laws Overhaul In Victoria May Not Pass After Opposition Reverses Support". *ABC News*. <http://www.abc.net.au/news/2018-06-19/coalition-rejects-victorian-political-donation-laws-overhaul/9885544>.
- Witko, C. (2011). "Campaign Contributions, Access, And Government Contracting". *Journal Of Public Administration Research And Theory* 21.4, pp. 761–778.
- Wood, T. (2017). "A Workable Roadmap For Australia's Climate Change Policies – Grattan Institute Submission To The Review Of Climate Change Policies". <https://grattan.edu.au/wp-content/uploads/2015/12/934-post-paris-australia-climate-policy-options.pdf>.
- Wood, T. and Edis, T. (2011). *New protectionism under carbon pricing: case studies of LNG, coal mining and steel sectors*. Report No. 2011-6. Grattan Institute. <https://grattan.edu.au/report/new-protectionism-under-carbon-pricing/>.
- D. Wood et al. (2018). Wood, D., Daley, J. and Chivers, C. *A crisis of trust: The rise of protest politics in Australia*. Report No. 2018-05. Grattan Institute. <https://grattan.edu.au/report/a-crisis-of-trust/>.
- Yanovitzky, I. (2002). "Effects Of News Coverage On Policy Attention And Actions: A Closer Look Into The Media-Policy Connection". *Communication* 29.4, pp. 422–451.
- Yaxley, L. (2017). "Foreign Minister denies knowledge of Chinese donor's 'Julie Bishop Glorious Foundation'". *ABC News*. <http://www.abc.net.au/news/2017-06-14/julie-bishop-questioned-over-chinese-donors-foundation/8618288>.
- Young, S. (2002). "Spot On: The Role Of Political Advertising In Australia". *Political Studies* 37.791963552, pp. 81–97. <https://www.tandfonline.com/doi/abs/10.1080/13603100220119038?journalcode=cajp20>.
- Zawawi, C. (1994). "Sources Of News—Who Feeds The Watchdogs?" *Australian Journalism Review* 16.1, pp. 67–71.
- Zingales, L. (2017). "Towards A Political Theory Of The Firm". *NBER* 23593. <http://www.nber.org/papers/w23593.pdf>.
- Zullo, R. (2006). "Public-Private Contracting and Political Reciprocity". *Political Research Quarterly* 59.2, pp. 273–281. <https://www.jstor.org/stable/4148094>.

Attachment 4

2023 Edelman Trust Barometer

Global Report



2023 Edelman Trust Barometer

Methodology

Annual online survey in its 23rd year

Fieldwork conducted: Nov 1 – Nov 28, 2022



Argentina	Colombia	Ireland	Mexico	S. Korea	UAE
Australia	France	Italy	Nigeria	Spain	UK
Brazil	Germany	Japan	Saudi Arabia	*Sweden	U.S.
Canada	India	Kenya	Singapore	Thailand	
China	Indonesia	Malaysia	S. Africa	The Netherlands	

Russia, part of the Edelman Trust Barometer from 2007 to 2022, was not included in this wave

**The sample size varies by country from 1,082 to 1,500.
27-market global data margin of error: General population +/- 0.6 percentage points (n=31,171)
Country-specific data margin of error: General population +/- 2.5 to 3.0 percentage points (varies by country based on sample size, n=1,082 to n=1,500)

Global averages

These vary based on the number of countries surveyed each year:

GLOBAL 27

*To protect the stability of the global average, Sweden will not be included in the average until there are at least two years of recent data

GLOBAL 25 Excludes China and Thailand

The sensitive nature of the question prevented this data from being collected in these countries

Statistical significance



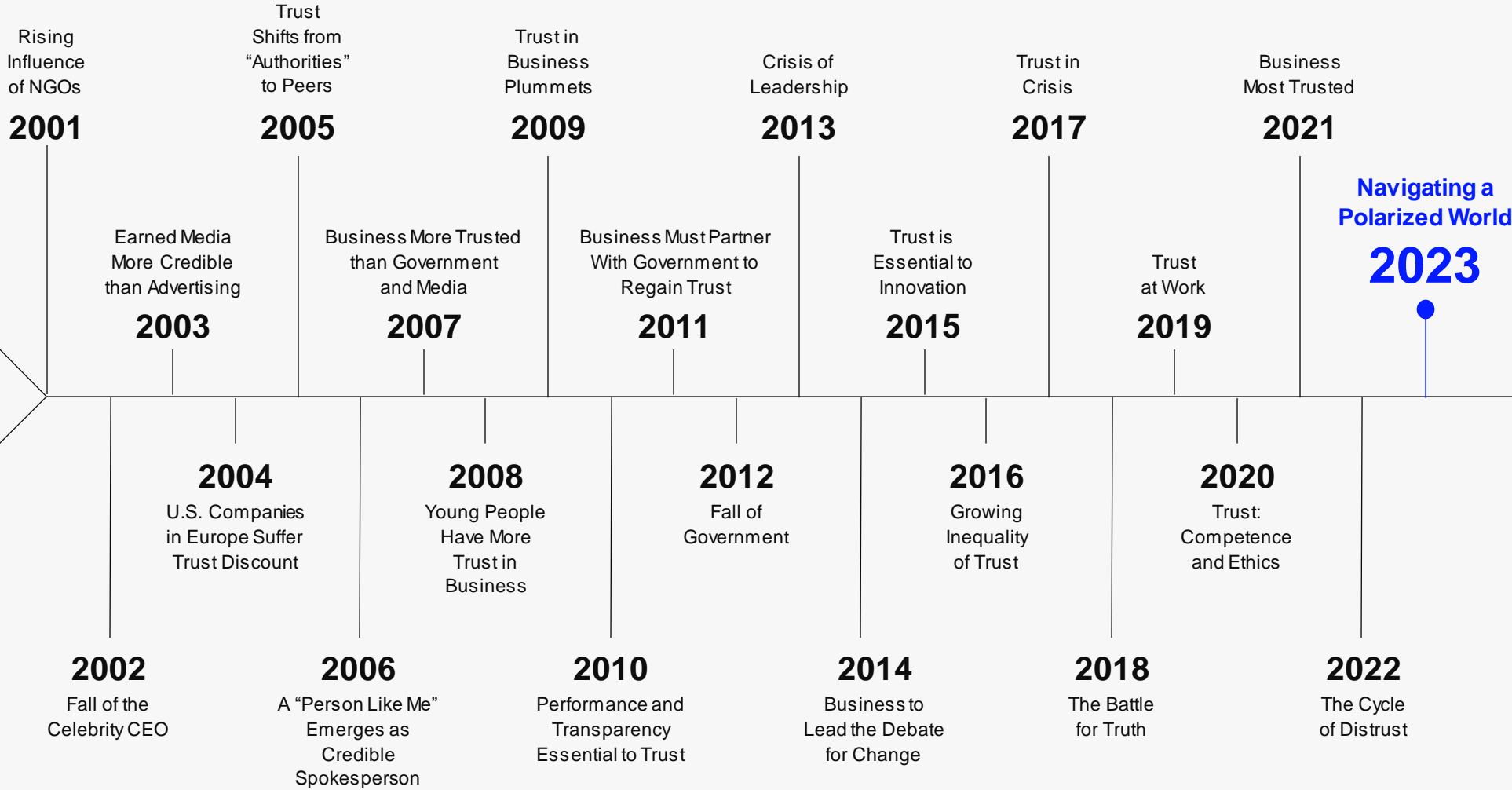
All indicated year-over-year significant changes were determined using a t-test set at a 99%+ confidence level

For more details on global averages and country-specific methodology, please refer to the Technical Appendix

Due to a translation inconsistency, the France data measuring trust in government, as well as competence and ethics was removed from certain slides. For more details contact the Trust Barometer research team



23 Years of Trust



Four Forces That Lead To Polarization

Economic Anxieties



Economic optimism is collapsing around the world, with 24 of 28 countries seeing all-time lows in the number of people who think their families will be better off in five years.

Institutional Imbalance



Business is now the sole institution seen as competent and ethical; government is viewed as unethical and incompetent. Business is under pressure to step into the void left by government.

Mass-Class Divide



People in the top quartile of income live in a different trust reality than those in the bottom quartile, with 20+ point gaps in Thailand, the United States, and Saudi Arabia.

The Battle for Truth



A shared media environment has given way to echo chambers, making it harder to collaboratively solve problems. Media is not trusted, with especially low trust in social media.

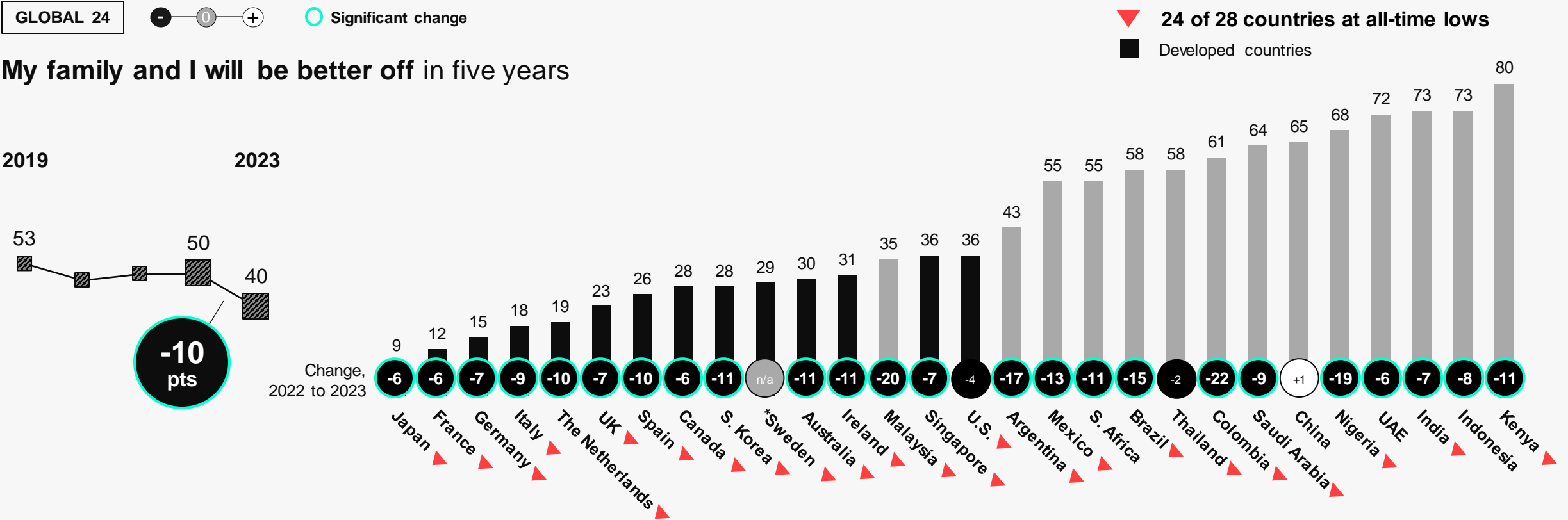


Facing Economic Fears Without a Trust Safety Net



Economic Optimism Collapses

Percent who say

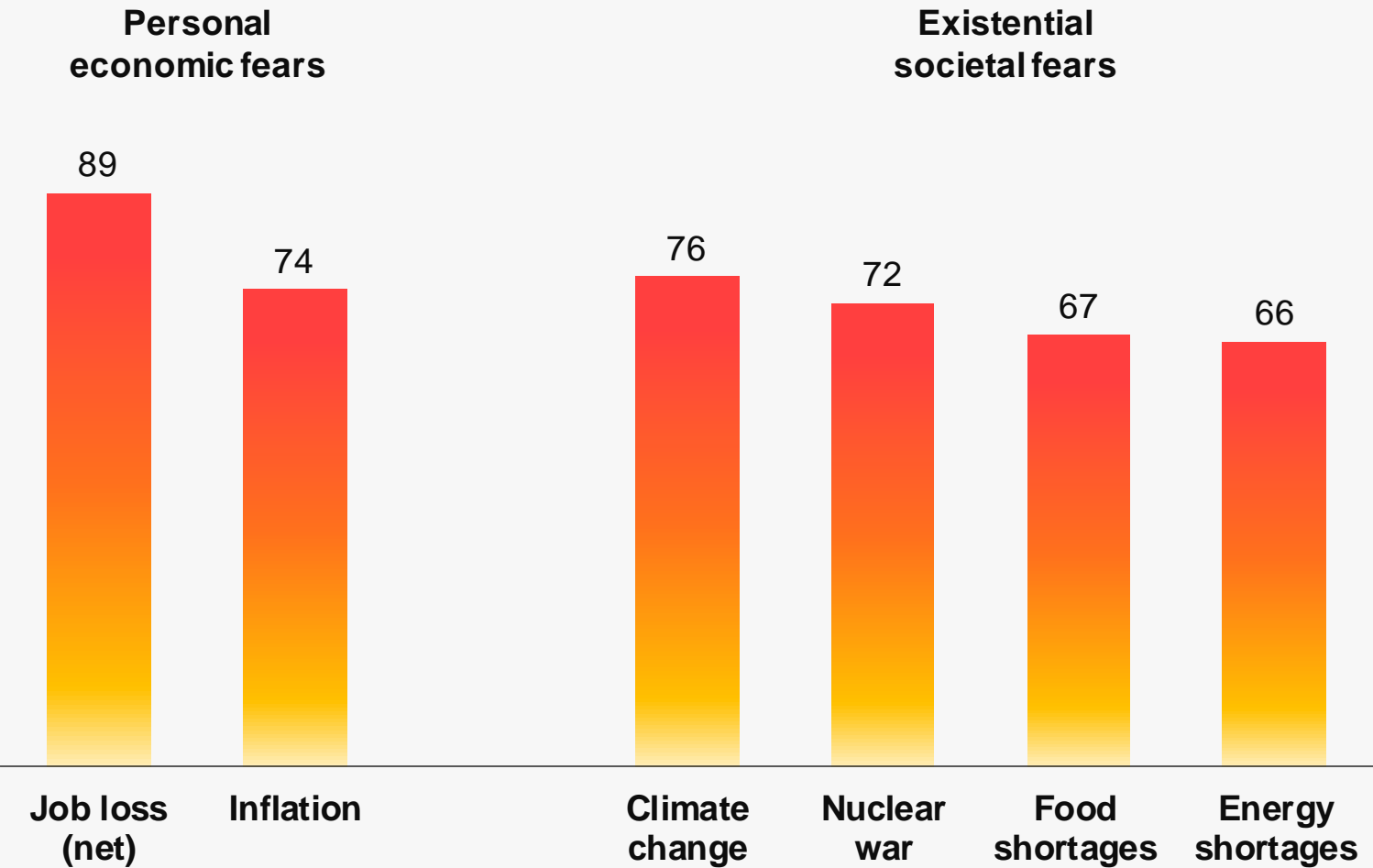


2023 Edelman Trust Barometer. CNG_FUT. Thinking about the economic prospects for yourself and your family, how do you think you and your family will be doing in five years' time? 5-point scale; top 2 box, better off. General population, 24-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Personal Anxieties On Par With Existential Fears

Percent who worry about ...



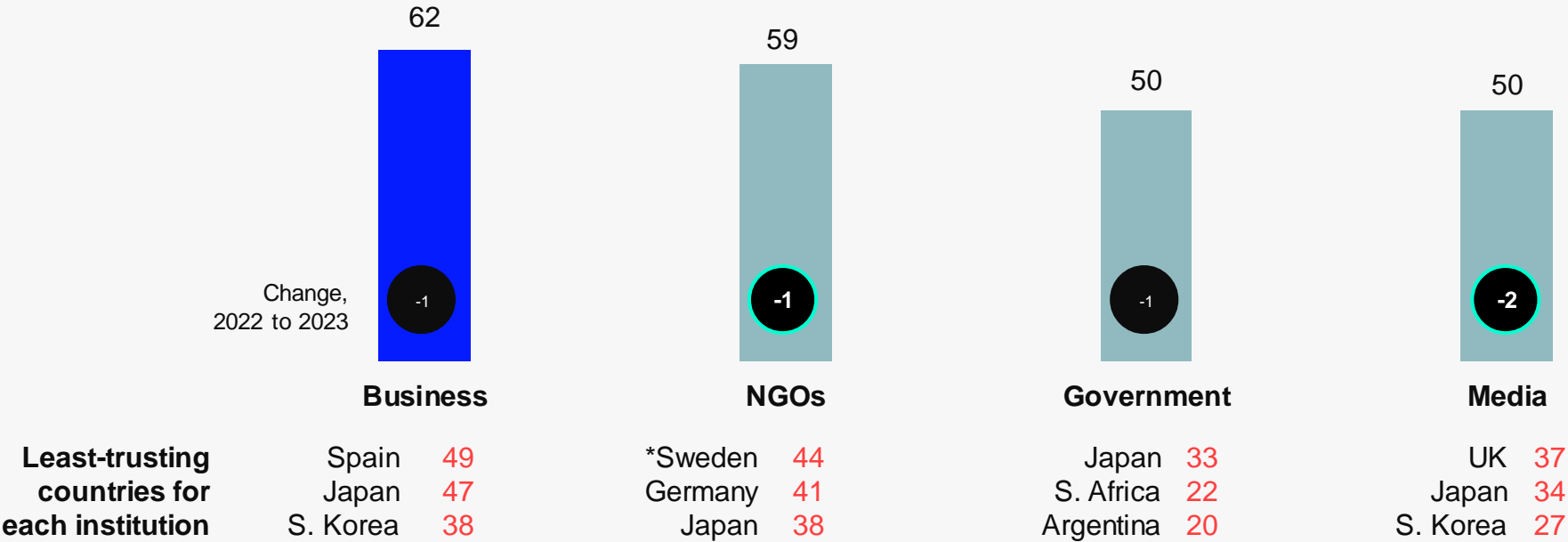
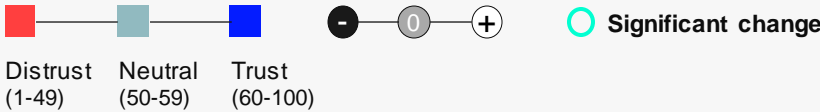
2023 Edelman Trust Barometer. POP_EMO. Some people say they worry about many things while others say they have few concerns. We are interested in what you worry about. Specifically, how much do you worry about each of the following? 9-point scale; top 4 box, worry. Some attributes asked of half of the sample. General population, 27-mkt avg. Job loss asked of those who are an employee of an organization (Q43/1). Job loss is a net of attributes 1-3, 5, and 22-24.



Business Only Trusted Institution

Percent trust

GLOBAL 26 excludes France



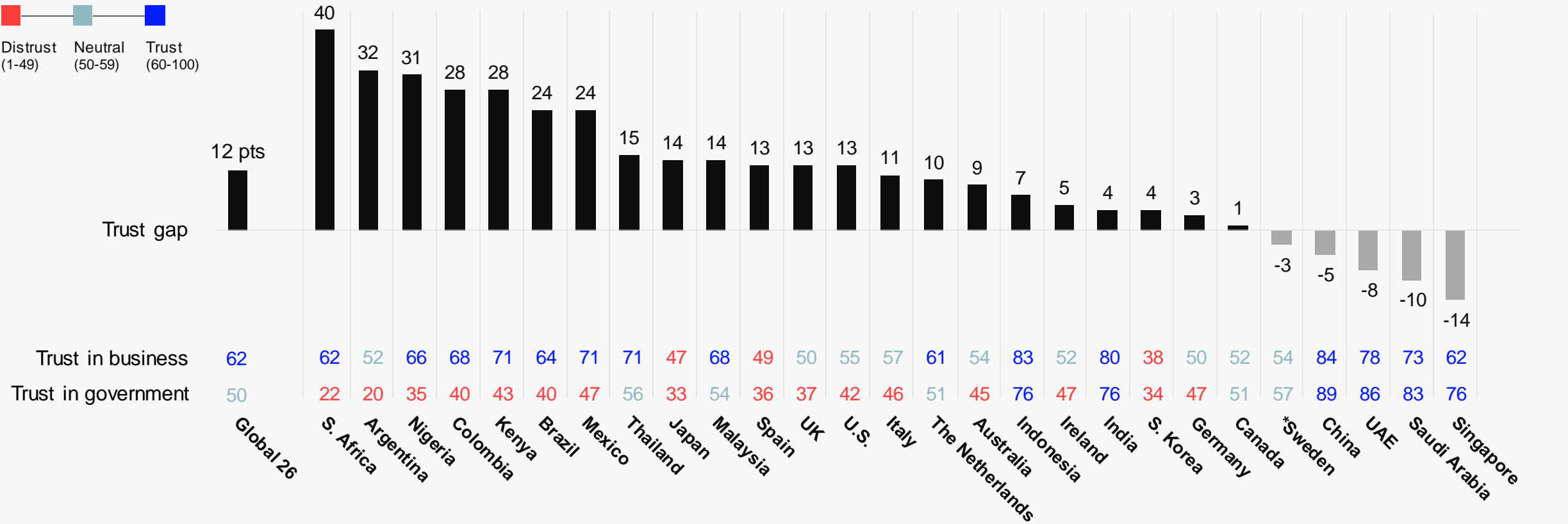
2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.

Due to a translation inconsistency, the France data was removed from this slide. For more details contact the Trust Barometer research team.



Government Less Trusted than Business

Percent trust, and the percentage-point difference between trust in business vs government



2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg. *Sweden is not included in the global average.

Due to a translation inconsistency, the France data was removed from this slide. For more details contact the Trust Barometer research team.

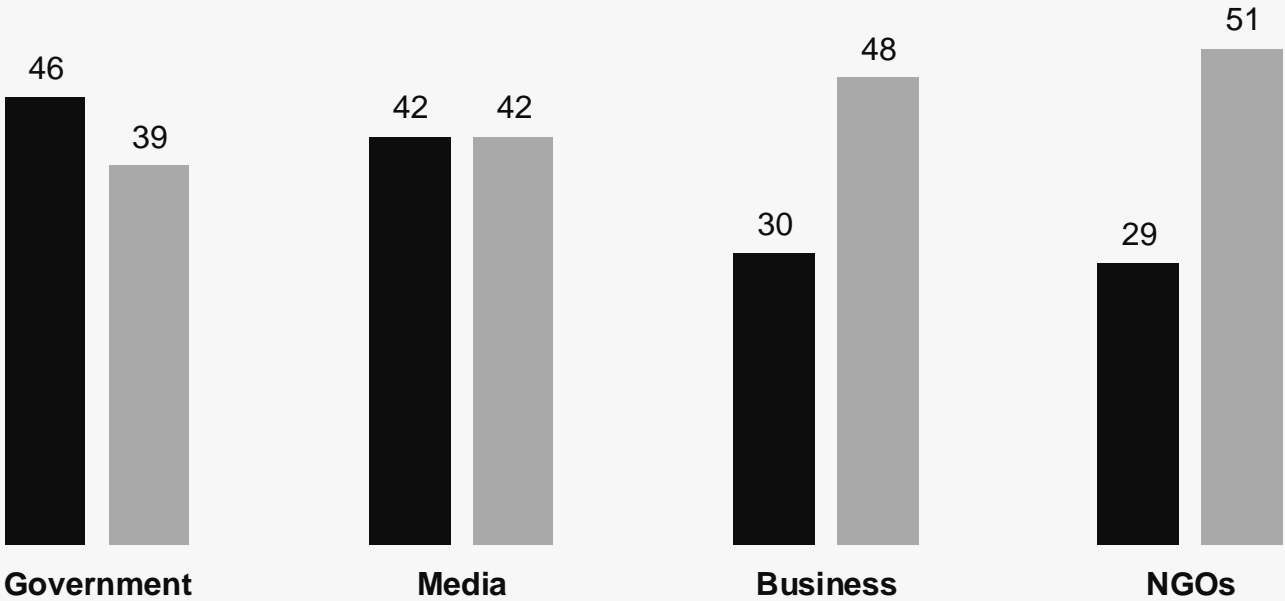
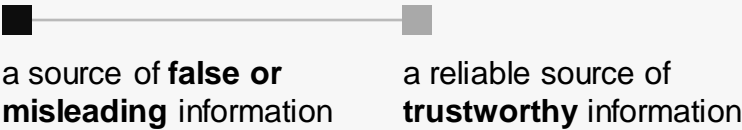


Government and Media Fuel Cycle of Distrust, Seen as Sources of Misleading Information

Percent who say

GLOBAL 25 Excludes China and Thailand

These institutions are

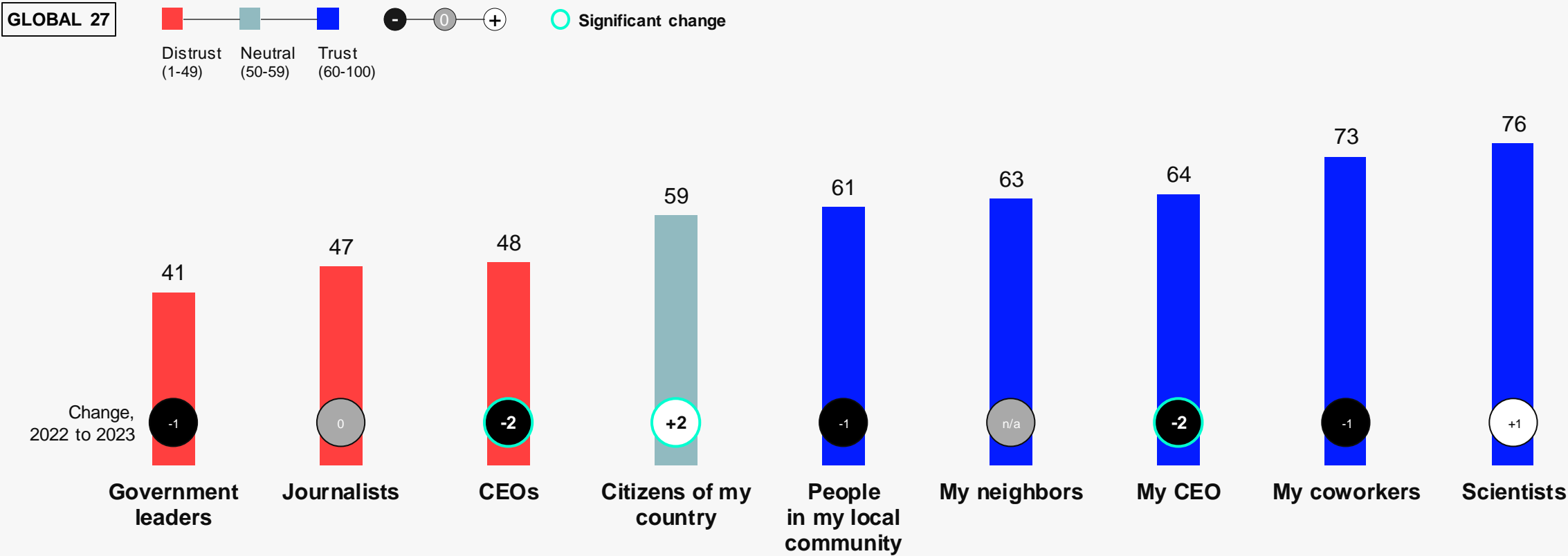


2023 Edelman Trust Barometer. [INS]_PER_DIM. In thinking about why you do or do not trust [institution], please specify where you think they fall on the scale between the two opposing descriptions. 11-point scale; top 5 box, positive; bottom 5 box, negative. Media and NGOs shown to half of the sample. General population, 25-mkt avg. Data not collected in China and Thailand.



Institutional Leaders Distrusted

Percent trust



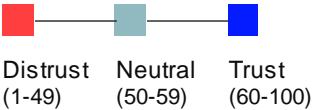
2023 Edelman Trust Barometer. TRU_PEP. Below is a list of groups of people. For each one, please indicate how much you trust that group of people to do what is right. 9-point scale; top 4 box, trust. Some attributes asked of half of the sample. General population, 27-mkt avg. "My coworkers" and "my CEO" only shown to those who are an employee of an organization (Q43/1). Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Mass-Class Divide: Income-Based Inequality Creates Two Trust Realities

Trust Index

(average percent trust in NGOs, business, government, and media)



2023 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg., by income. *Sweden is not included in the global average. Due to a translation inconsistency, the France data was removed from this slide. For more details contact the Trust Barometer research team.

Income quartiles were determined separately for each country based on the distribution of household incomes among respondents from that country.

2023 High income (top 25%)

64	Global 26
90	China
85	Thailand
84	Saudi Arabia
82	Indonesia
82	UAE
76	India
73	Singapore
70	Kenya
66	Malaysia
64	Mexico
63	U.S.
62	Nigeria
62	The Netherlands
60	Germany
60	Ireland
59	Italy
56	Brazil
54	Australia
54	Colombia
53	Canada
52	S. Africa
52	*Sweden
51	UK
49	Spain
48	Japan
47	Argentina
44	S. Korea

2023 Low income (bottom 25%)

49	Global 26
71	China
70	India
68	Indonesia
64	Saudi Arabia
63	Kenya
63	UAE
56	Mexico
56	Nigeria
55	Malaysia
55	Singapore
48	Brazil
48	Thailand
47	Canada
46	Italy
46	The Netherlands
44	Colombia
43	Australia
42	Germany
42	Ireland
41	S. Africa
41	*Sweden
40	Spain
40	U.S.
37	Argentina
35	UK
29	Japan
29	S. Korea

15pts trust inequality globally;
double-digits in 20 of 27 countries

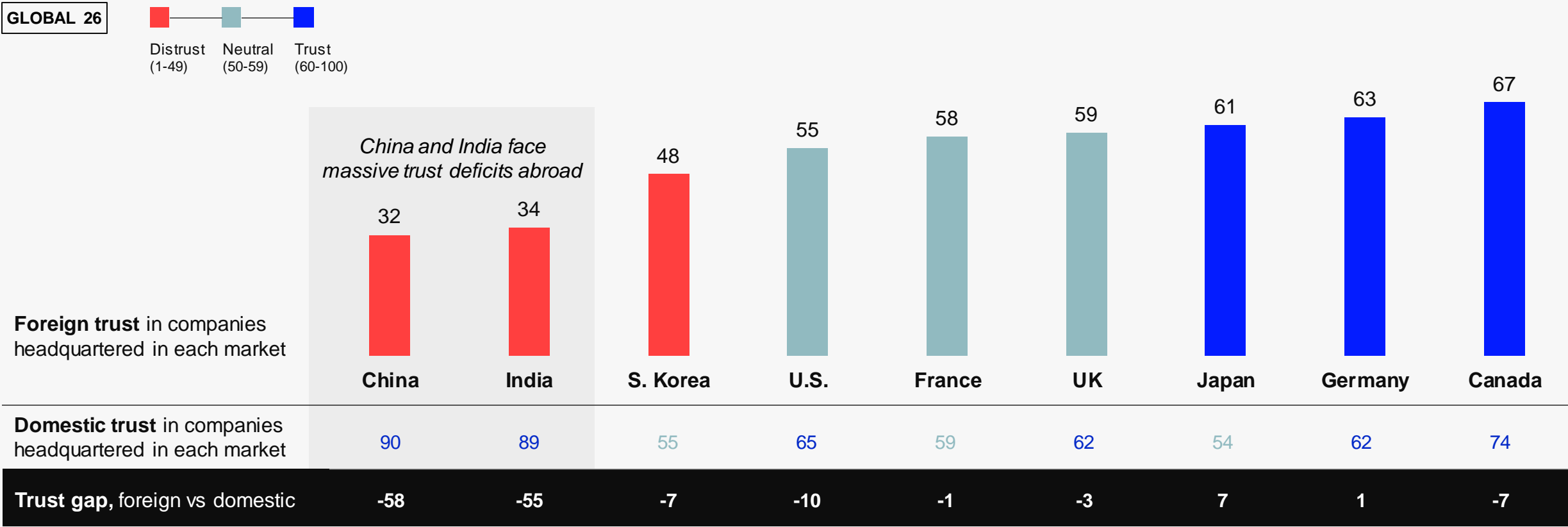
Greatest income-based trust inequality in:

Thailand	37pts
U.S.	23pts
Saudi Arabia	20pts
China	19pts
Japan	19pts
UAE	19pts



Trust at Home Does Not Guarantee Trust Abroad

Percent trust in companies headquartered in each country

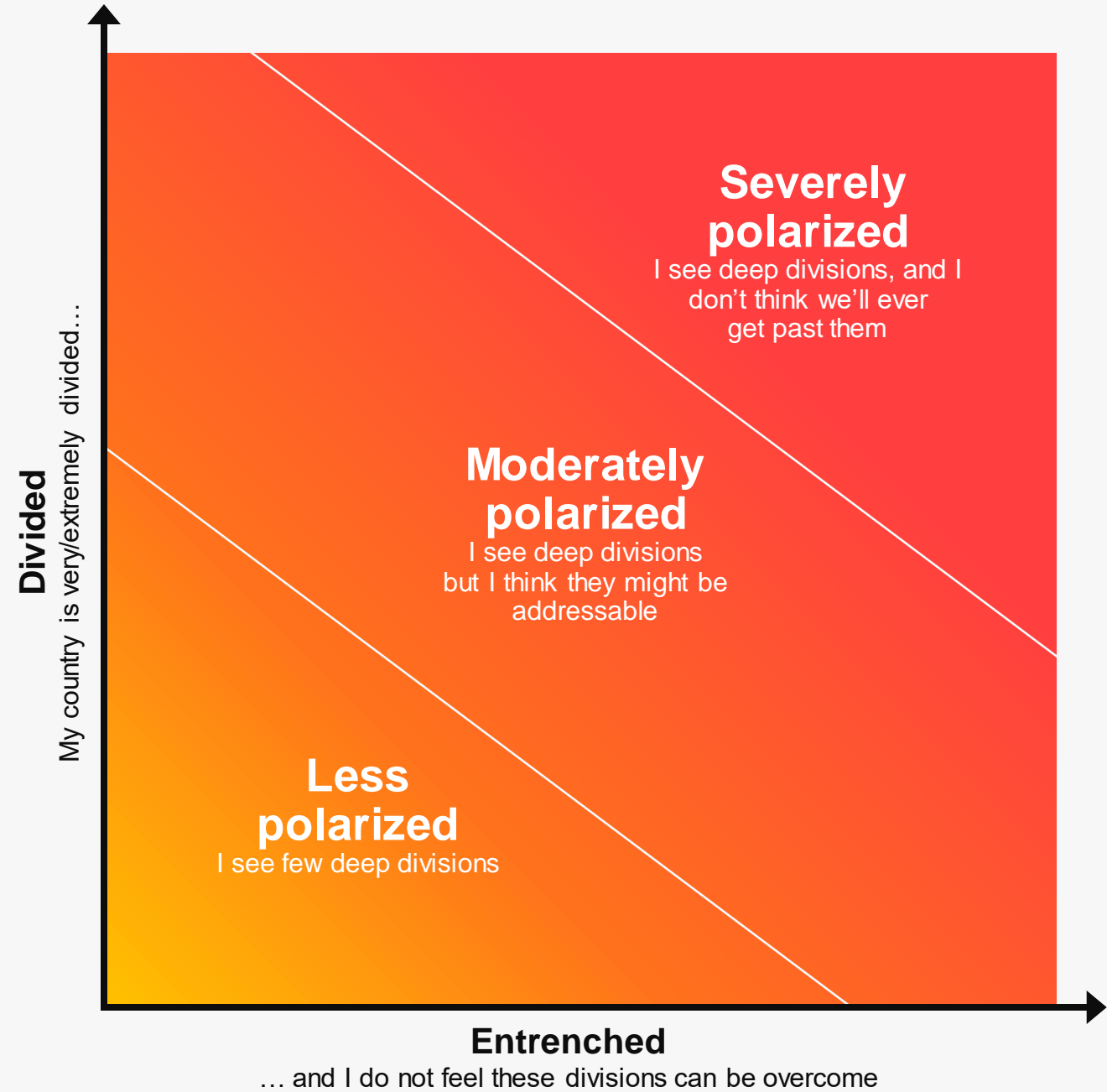


2023 Edelman Trust Barometer. TRU_NAT. Now we would like to focus on global companies headquartered in specific markets. Please indicate how much you trust global companies headquartered in the following markets to do what is right. 9-point scale; top 4 box, trust. Question asked of half of the sample. General population, 26-mkt avg., excluding country being rated for "foreign trust", and by market for "domestic trust".

Distrust Breeds Polarization

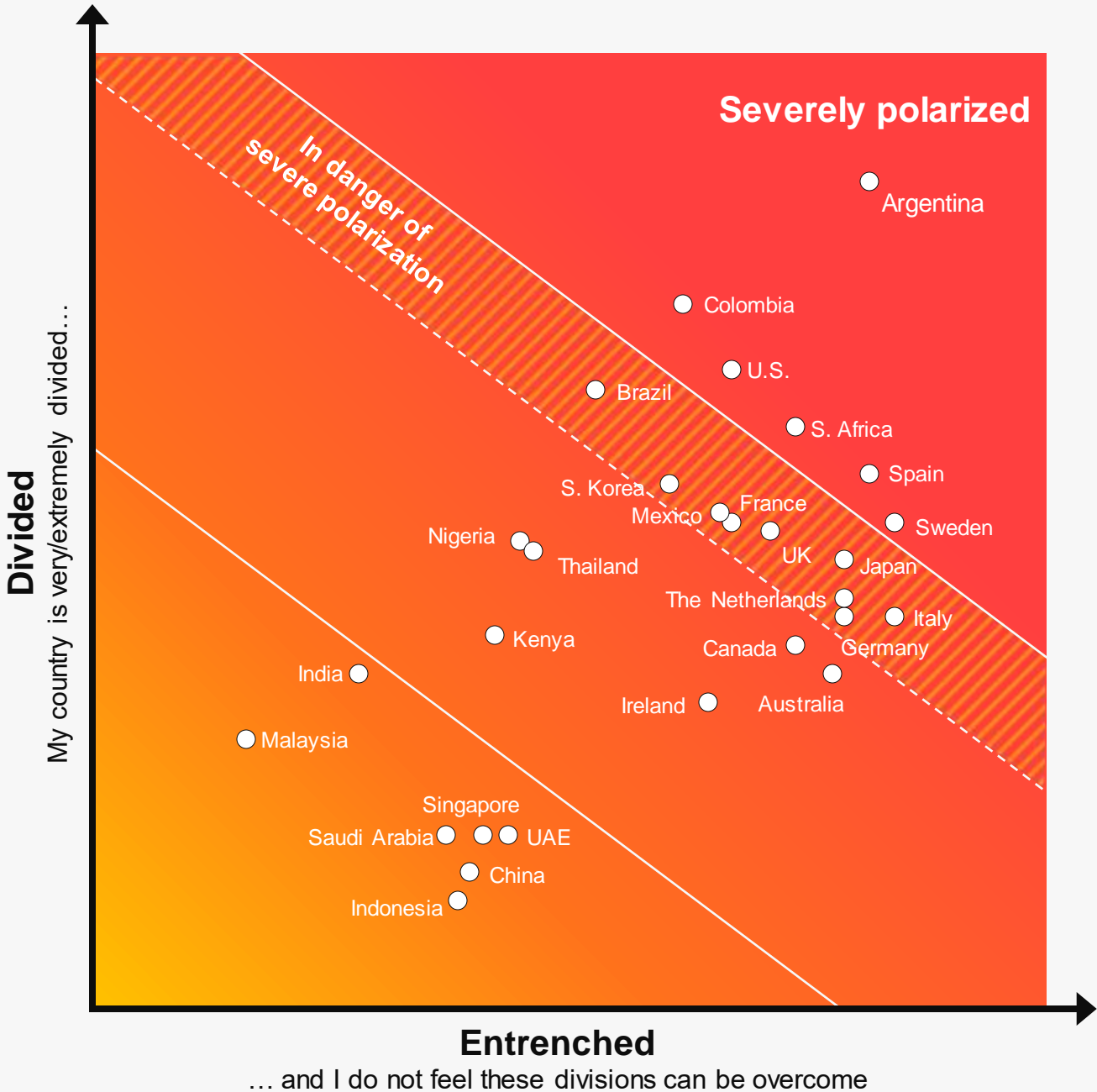


Polarization Most Severe When Deep Divisions Become Entrenched



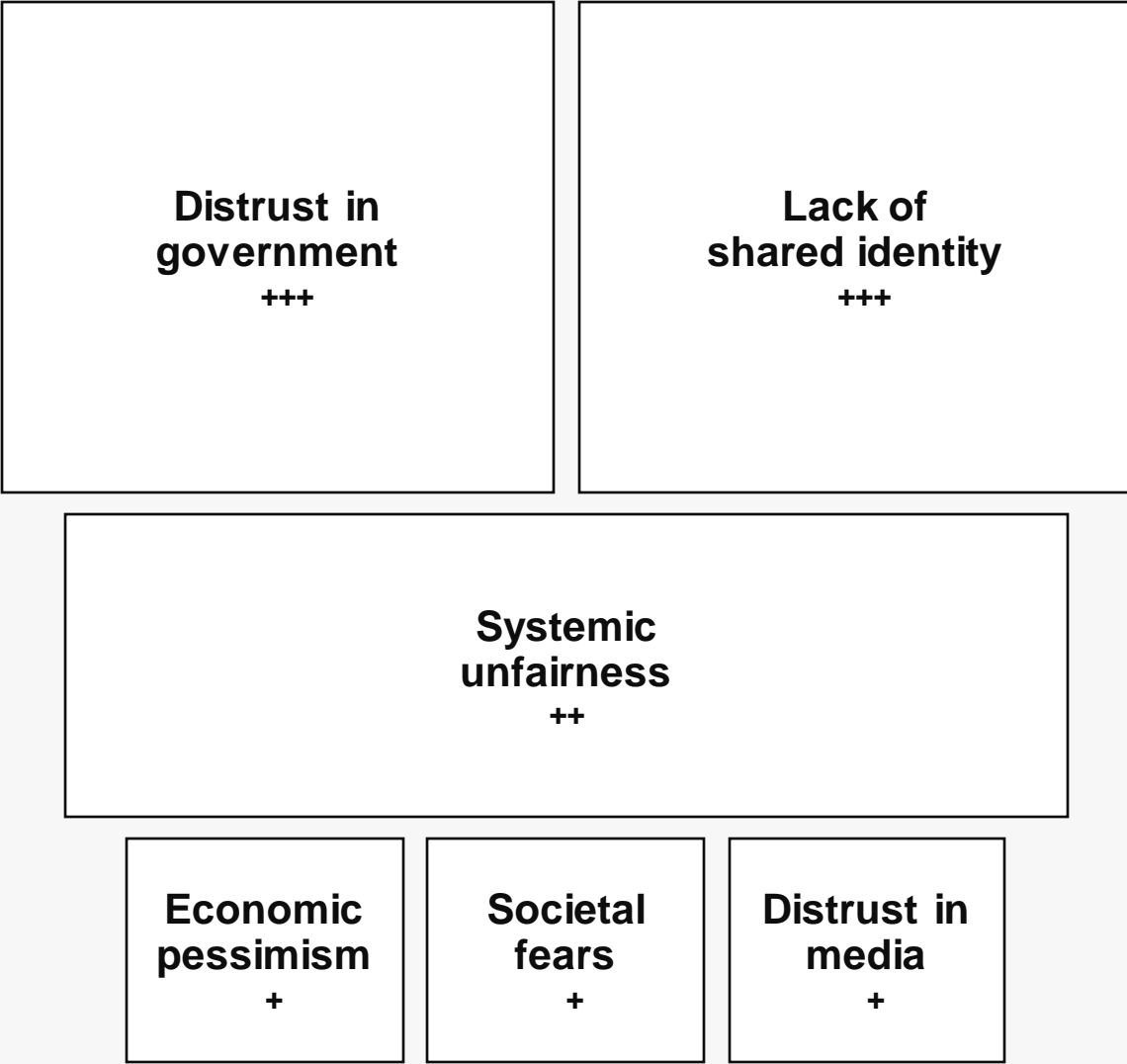
Six Countries Severely Polarized

2023 Edelman Trust Barometer. POL_DEG. Using the scale below, please indicate how divided on key societal issues you believe your country is today. 5-point scale; top 2 box, very/extremely divided. POL_PROG. How likely or unlikely do you think it is that your country will be able to work through or overcome its ideological divisions and lack of agreement on key issues and challenges? 8-point scale; codes 2-5, divisions can't be overcome. General population, by market. Data for "entrenched" is POL_PROG/2-5 filtered by those who feel their country is very/extremely divided (POL_DEG/4-5). All data is rebased to exclude those that said, "don't know."



Drivers Of Polarization: Distrust, Weak Social Fabric, Unfairness

Size of impact on respondent’s perception of polarization
+ Less than .20 ++ .20 to .30 +++ More than .30
Only significant drivers of polarization are shown

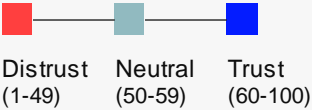


2023 Edelman Trust Barometer. Regression analysis conducted on several questions. For a full explanation of how this data was calculated, please see the Technical Appendix.



U.S. Case Study: Republicans More Likely To Say Our Differences Are Insurmountable

Percent who say



Degree of polarization

Drivers of polarization

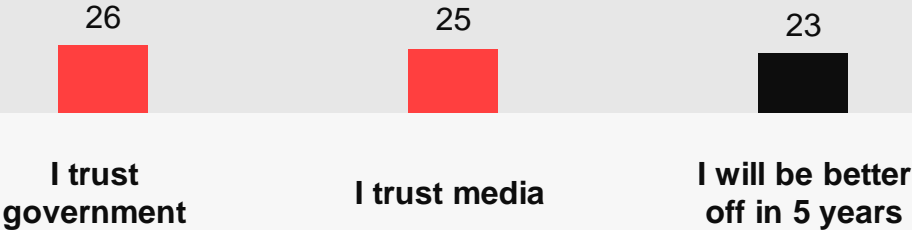


Republican

50%

My country is polarized:
our divisions are entrenched

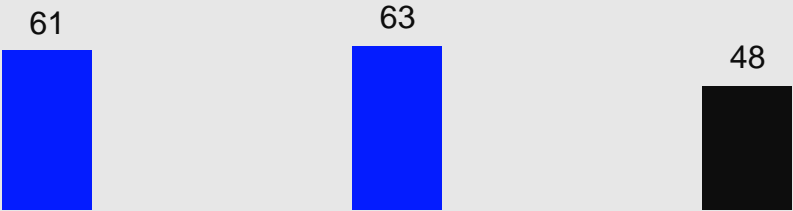
Republicans less trusting, more pessimistic





Democrat

33%



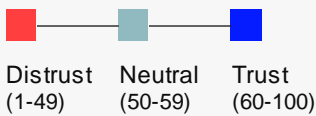
2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. CNG_FUT. Thinking about the economic prospects for yourself and your family, how do you think you and your family will be doing in five years' time? 5-point scale; top 2 box, better off. POL_PROG. How likely or unlikely do you think it is that your country will be able to work through or overcome its ideological divisions and lack of agreement on key issues and challenges? 8-point scale; codes 2-5, divisions can't be overcome. General population, U.S., by political affiliation. Data for "entrenched" is POL_PROG/2-5 filtered by those who feel their country is very/extremely divided (POL_DEG/4-5).



Both Cause and Consequence: Polarization Itself Leads to Further Distrust

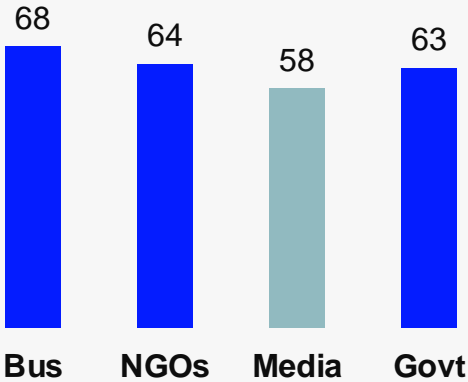
Percent trust among those who say

GLOBAL 26 excludes France

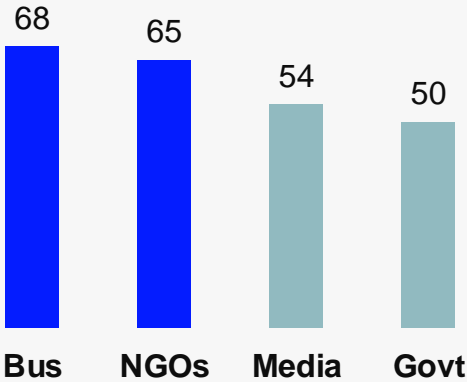


My country is ...

... not very divided

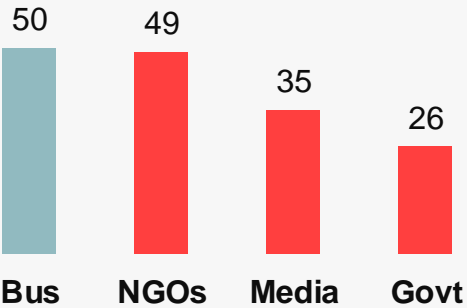


... divided, not entrenched



... polarized: divisions are entrenched

When we see our country as polarized, we don't trust



2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg., by perceived level of division. For more information on how these segments are defined, please refer to the Technical Appendix.

Due to a translation inconsistency, the France data was removed from the global data. For more details contact the Trust Barometer research team.



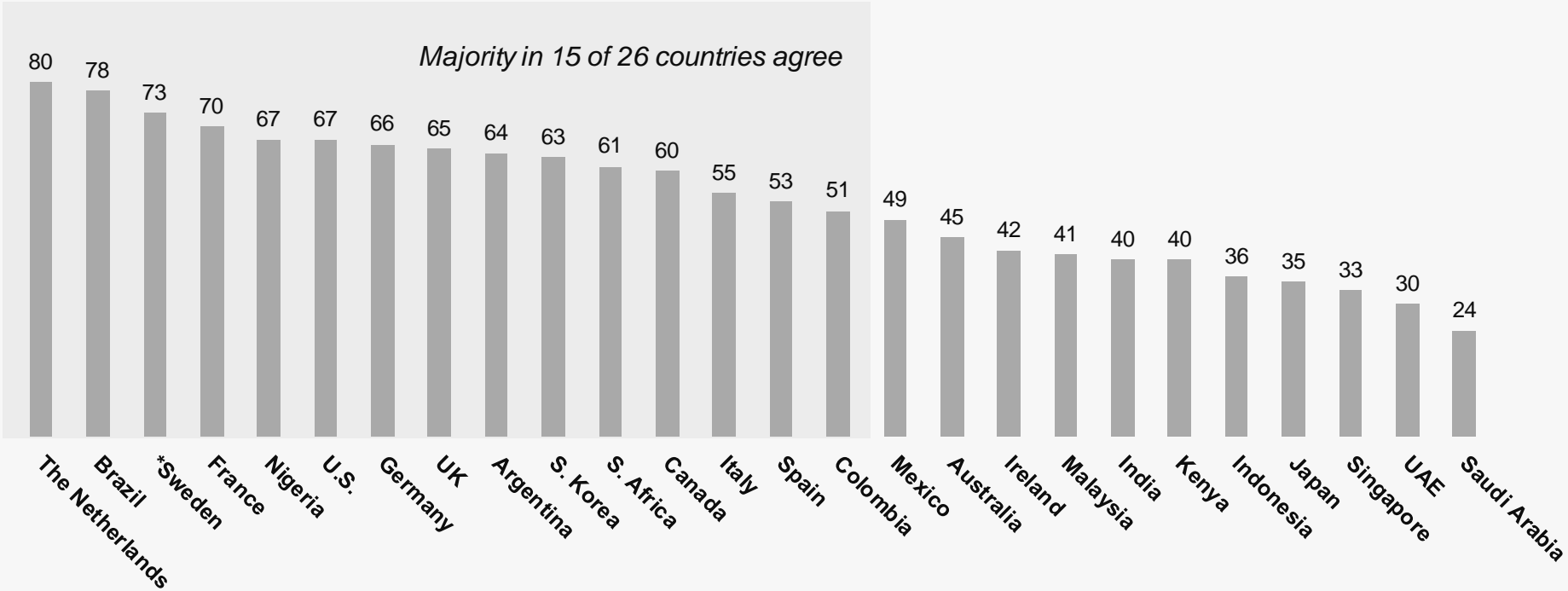
More Divided Today Than in the Past

Percent who say

Our country is **more divided today**
than in the past

GLOBAL 25 Excludes China and Thailand

53%

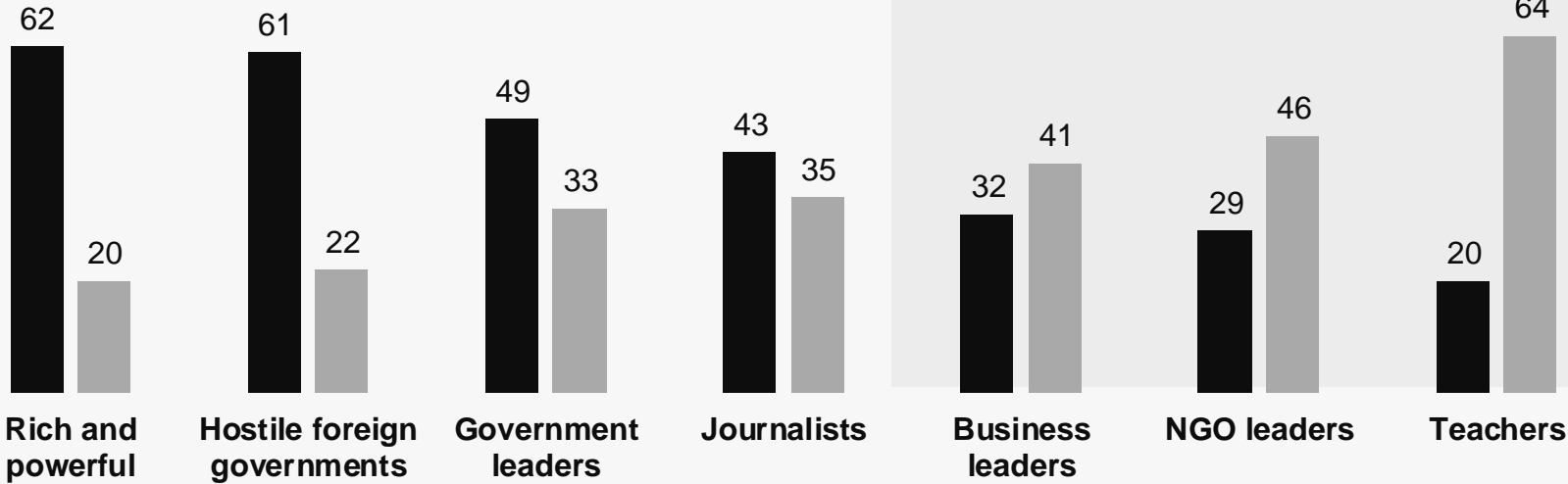
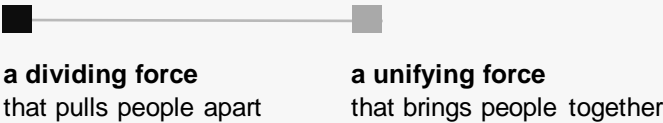


Divisive Forces Exploit and Intensify Our Differences

Percent who say

GLOBAL 25 Excludes China and Thailand

These groups are



2023 Edelman Trust Barometer. PROB_PLP. Ideological differences will always exist among people, but there are some groups of people that are perhaps making things worse than they might otherwise be by fueling divisions and fomenting a lack of civility between people who hold different views. In contrast, there are some groups of people that are perhaps making things better than they might otherwise be by working to foster cooperation between people who hold different views. In thinking about each group of people listed below, please specify where you think they fall on the scale between being a unifying force in society and being a dividing force. 11-point scale; codes 7-11, a dividing force in society; codes 1-5, a unifying force in society. Some attributes asked of half of the sample. General population, 25-mkt avg. "Journalists" and "Government leaders" not asked in China and Thailand.



Social Fabric Weakens

Percent who say

GLOBAL 27

The lack of civility and mutual respect today is the **worst I have ever seen**

65%

The social fabric that once held this country together has **grown too weak** to serve as a foundation **for unity and common purpose**

62%



Ideology Becomes Identity: Few Would Help, Live, or Work With the Other Side

Among those who feel strongly about an issue, percent who say

GLOBAL 27

If a person strongly disagreed with me or my point of view, I would ...

Help them
if they were in need

30%

Be willing to live in
the same neighborhood

20%

Be willing to have them
as a coworker

20%



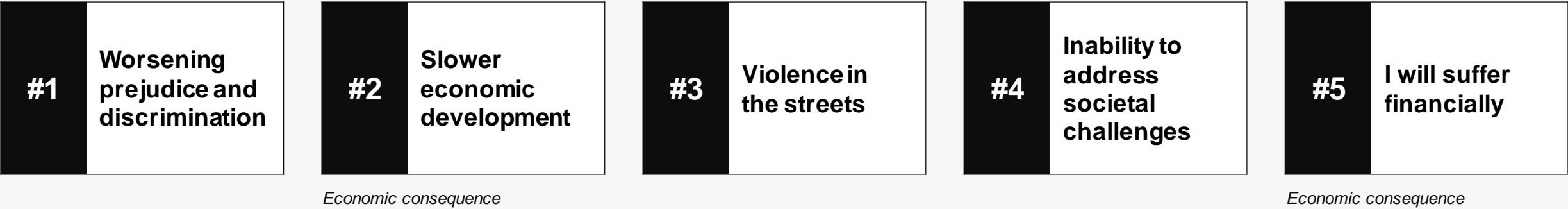
Polarization Worsens Fears

Among those who say their country is divided on key issues, percent who say

GLOBAL 25 Excludes China and Thailand

If our divisions are not addressed, this is likely to be a consequence

Top 5 of 13:



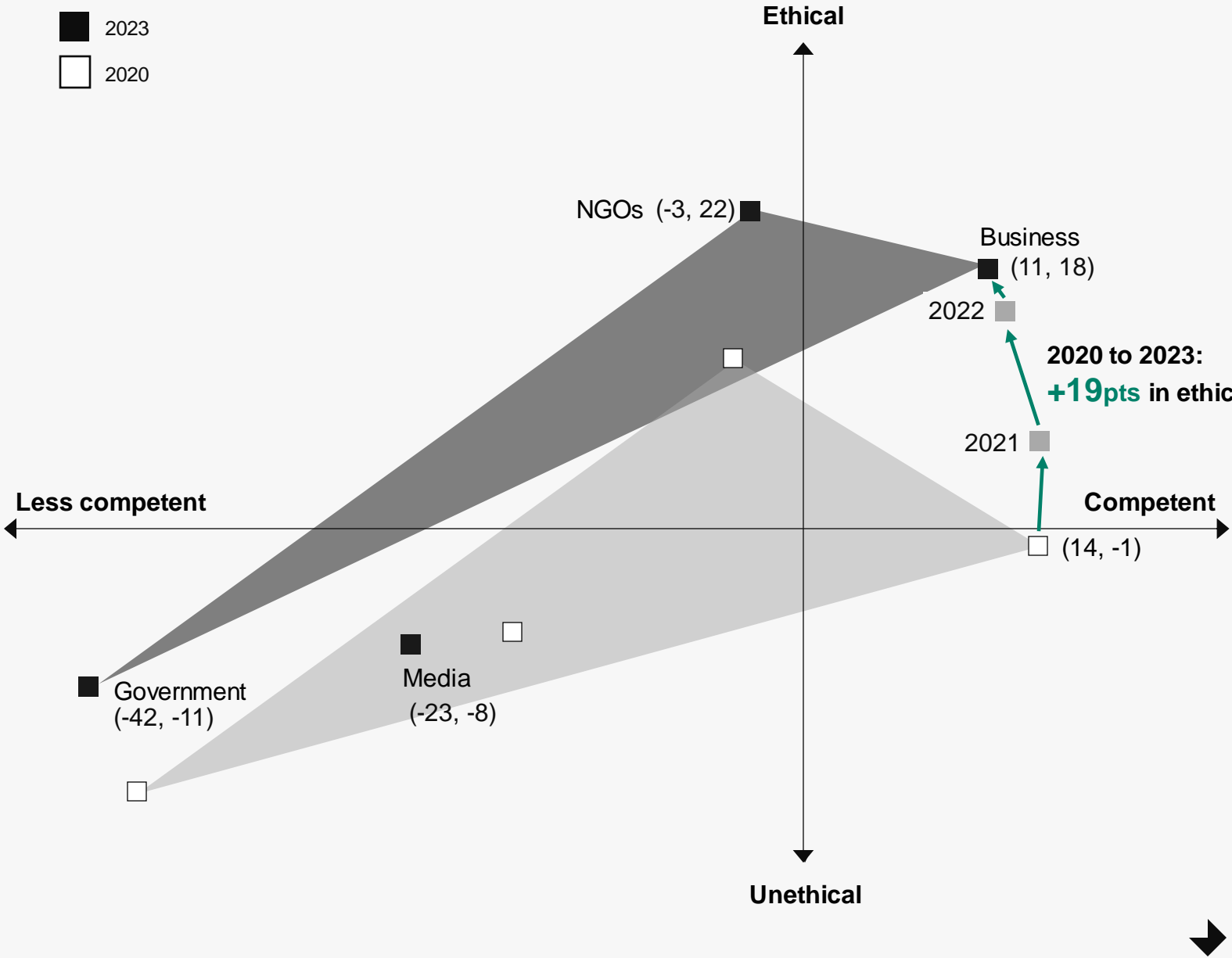
Great Expectations, Heightened Risk for Business



Only Business is Competent and Ethical; Sustains Rise in Ethics for Third Year

(Competence score, net ethical score)

GLOBAL 23 Excludes China and Thailand



2023 Edelman Trust Barometer. The ethical scores are averages of nets based on [INS]_PER_DIM/1-4. Government and Media were only asked of half of the sample. The competence score is a net based on TRU_3D_[INS]/1. Government and Media were only asked of half of the sample. General population, 23-mkt avg. Data not collected in China and Thailand. For full details regarding how this data was calculated and plotted, please see the Technical Appendix.

Due to a translation inconsistency, the France data was removed from this slide. For more details contact the Trust Barometer research team.

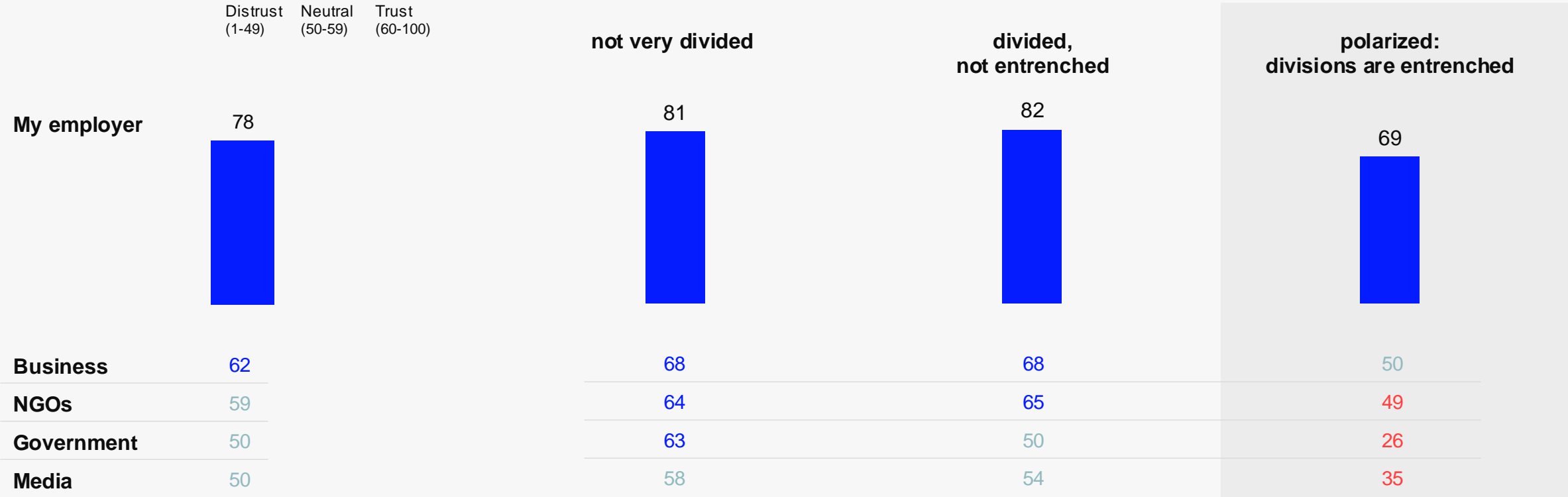
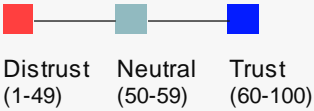
Employers Most Trusted

Percent trust

Among Those Who Feel Polarized, Employer Is Only Trusted Institution

Percent trust among those who say their country is ...

GLOBAL 26 excludes France



2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg., and by perceived level of division. "Your employer" only shown to those who are an employee of an organization (Q43/1).

Due to a translation inconsistency, the France data was removed from the global data. For more details contact the Trust Barometer research team.



Consumers and Employees Pressure Business to Stand Up for Them

Percent who say

2022 Edelman Trust Barometer Special Report:
The New Cascade of Influence

I buy or advocate for brands based on my beliefs and values

GLOBAL 14

63%

2022 Edelman Trust Barometer Special Report:
Trust In the Workplace

Having societal impact is a strong expectation or deal breaker when considering a job (avg)

GLOBAL 7

Among employees

69%

- Business reflects my values
- Has a greater purpose
- Meaningful work that shapes society
- Opportunities to address social problems
- Stops specific business practices if employees object
- CEO addresses controversial issues I care about

2022 Edelman Trust Barometer Special Report: The New Cascade of Influence. Belief-driven consumers. General population, 14-mkt avg. Please see the Technical Appendix for full explanation of how belief-driven consumers were measured.
2022 Edelman Trust Barometer Special Report: Trust in the Workplace. EMP_IMP. When considering an organization as a potential place of employment, how important is each of the following to you in deciding whether or not you would accept a job offer there? 3-point scale; top 2 box, important. 7-mkt avg. All data is filtered to be among employees who work for an organization or corporation (Q43/1). "Societal impact" is an average of attributes 12-17.



Want More Societal Engagement from Business, Not Less

Percent who say

GLOBAL 27

On addressing each **societal issue**, business is



Multiplier
not doing enough vs overstepping

Climate change

6.5x



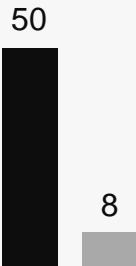
Economic inequality

6.5x



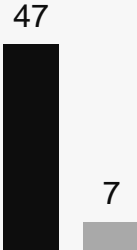
Energy shortages

6.5x



Healthcare access

6.5x



Trustworthy information

5x



Workforce reskilling

5x



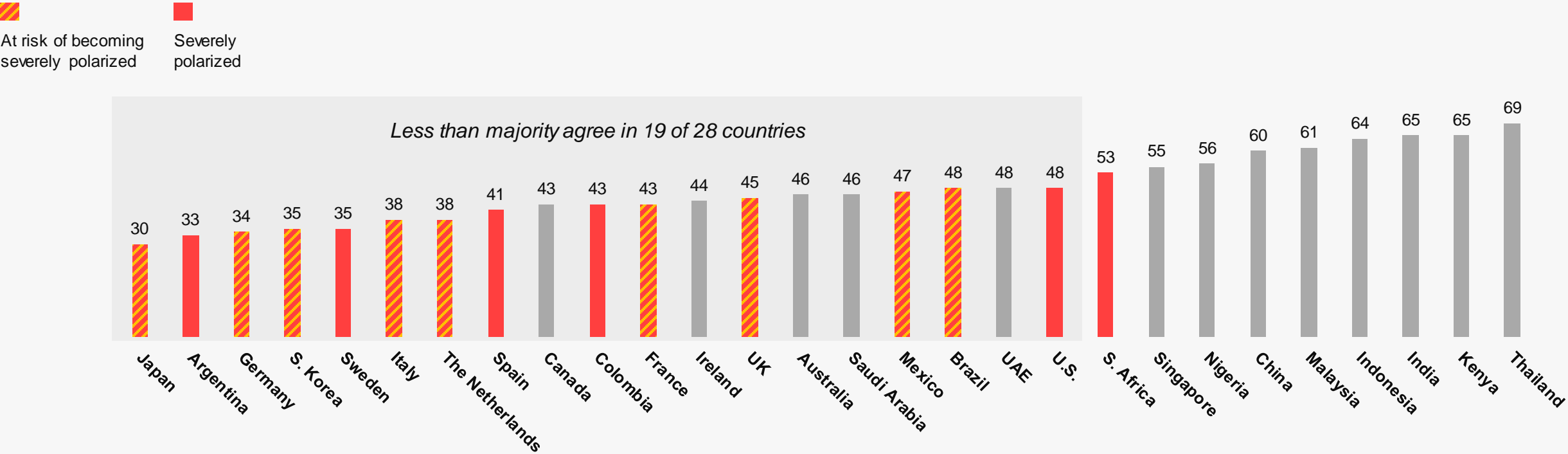
2023 Edelman Trust Barometer. BUS_BND. Think about business as an institution, and its current level of engagement in addressing societal needs and issues. When it comes to each of the following areas, please indicate if you think business is going too far and overstepping what it should be doing, is doing just the right amount in regard to this activity, or is not going far enough in its actions and should be doing more. 3-point scale; code 3, “not doing enough”; code 1, “overstepping”. General population, 27-mkt avg. The multipliers are rounded to the nearest .5.



Societal Engagement Puts Business at Risk of Being Politicized

Percent who agree

I think **business can avoid being political** when it addresses contentious societal issues



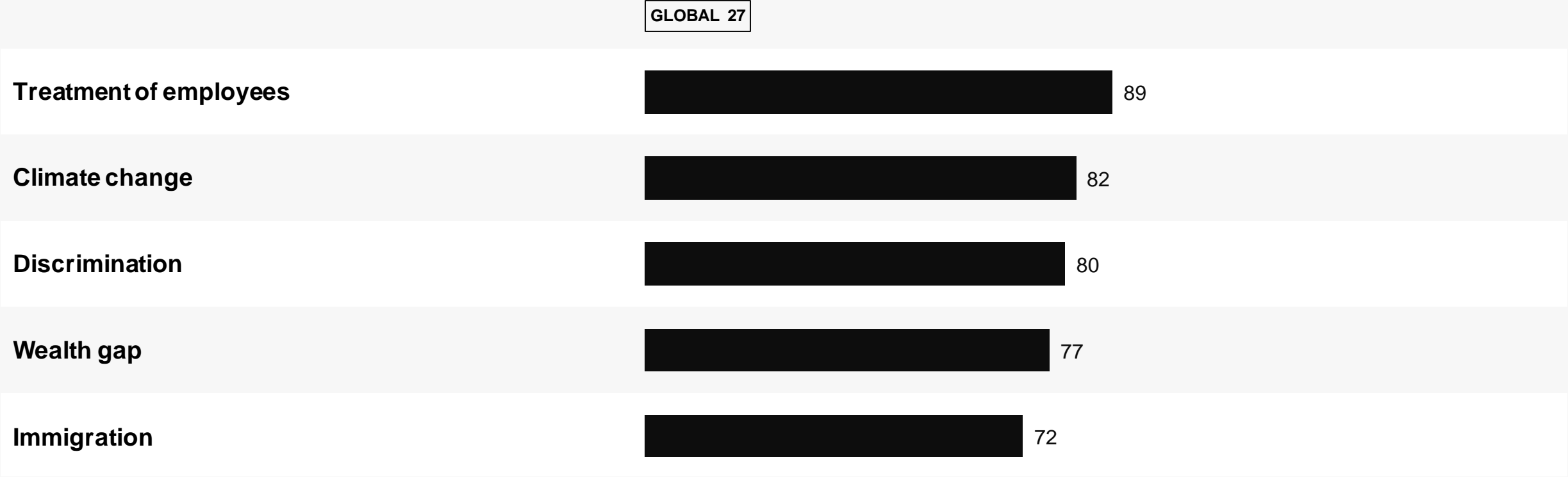
Navigating a Polarized World



CEOs Most Expected To Act on Employees, Climate, and Discrimination

Percent who say

I expect CEOs to take a public stand on this issue:



2023 Edelman Trust Barometer. CEO_ISS_EXP. For each of the following issues, please indicate what you expect CEOs to do. 3-point scale; code 1, publicly take a stand; code 2, take a stand and use resources. Question asked of half of the sample. General population, 27-mkt avg. Data is rebased to exclude those that said, "don't know," and showing the sum of codes 1 and 2.



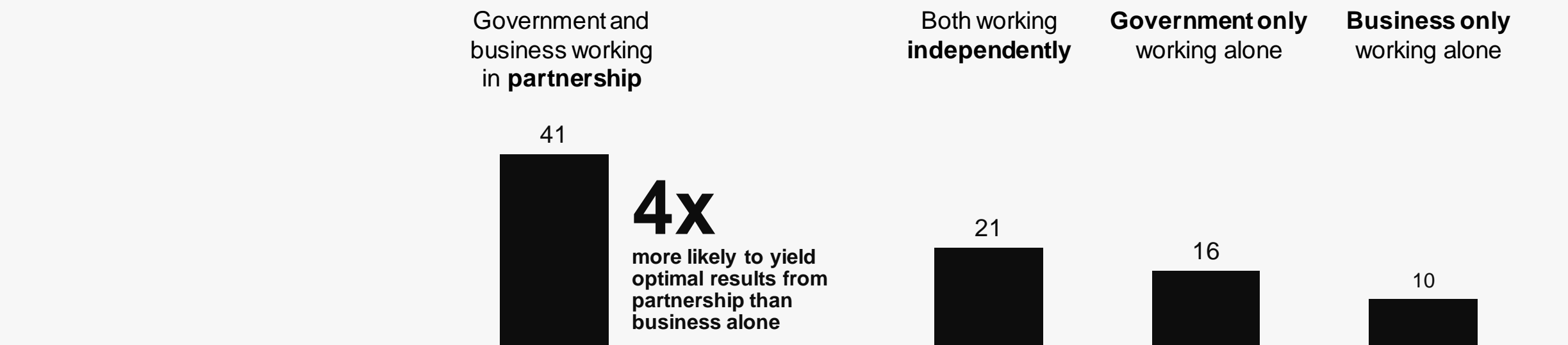
Best Societal Outcomes When Government and Business Work Together

Percent who say

GLOBAL 25 Excludes China and Thailand

Approach most likely to result in **constructive action**

averaged across climate change, discrimination, immigration, employee treatment, and income inequality



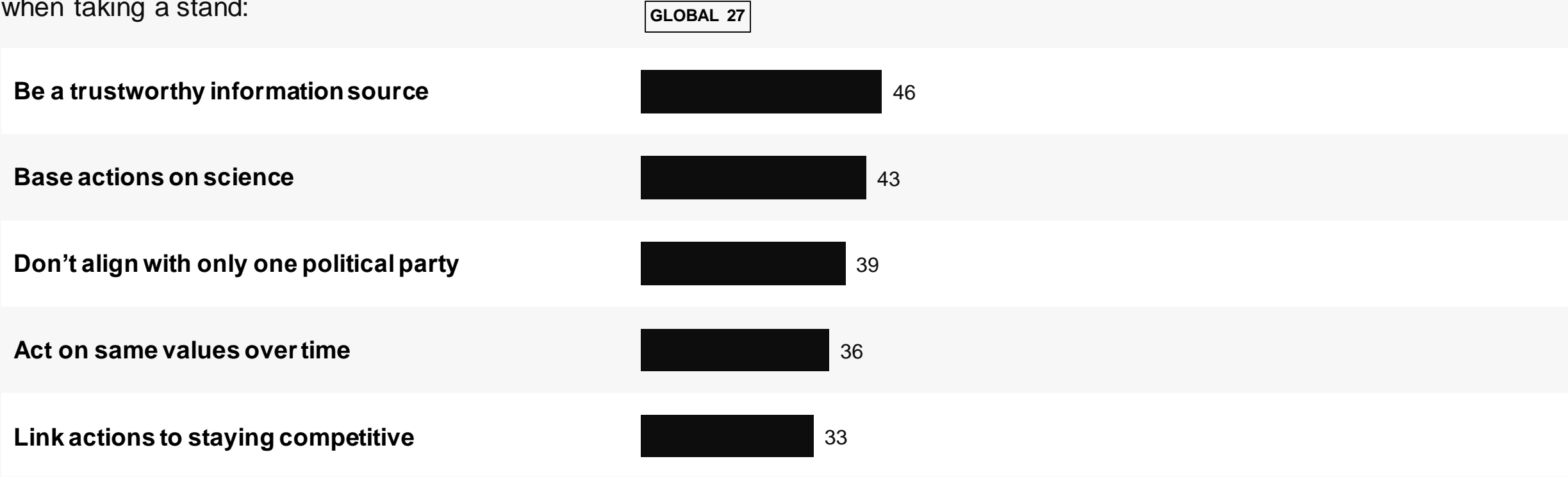
2023 Edelman Trust Barometer. GOV_VS_BUS1. For each of the societal issues listed below, please indicate which of the following is the most likely to result in your country being able to work through any ideological divisions that exist regarding the issue and take constructive action to address it. 5-point scale; code 5, government and business working in partnership; code 2, government and business working independently; code 3, government working alone; code 4, business working alone. Question asked of half of the sample. General population, 25-mkt avg. Data not collected in China and Thailand. Data is rebased to exclude those that said, "don't know" and is showing an average of five issues.



Trustworthy Information Insulates Business Action from Politicization

Among the 48% who say it is possible for a business to address societal issues without being seen as politicized, percent who say

To avoid being seen as politically motivated when taking a stand:



Improve Economic Optimism: Invest in Fair Compensation, Local Communities, Skills Training

Percent who say

CEOs are obligated to ...

GLOBAL 27



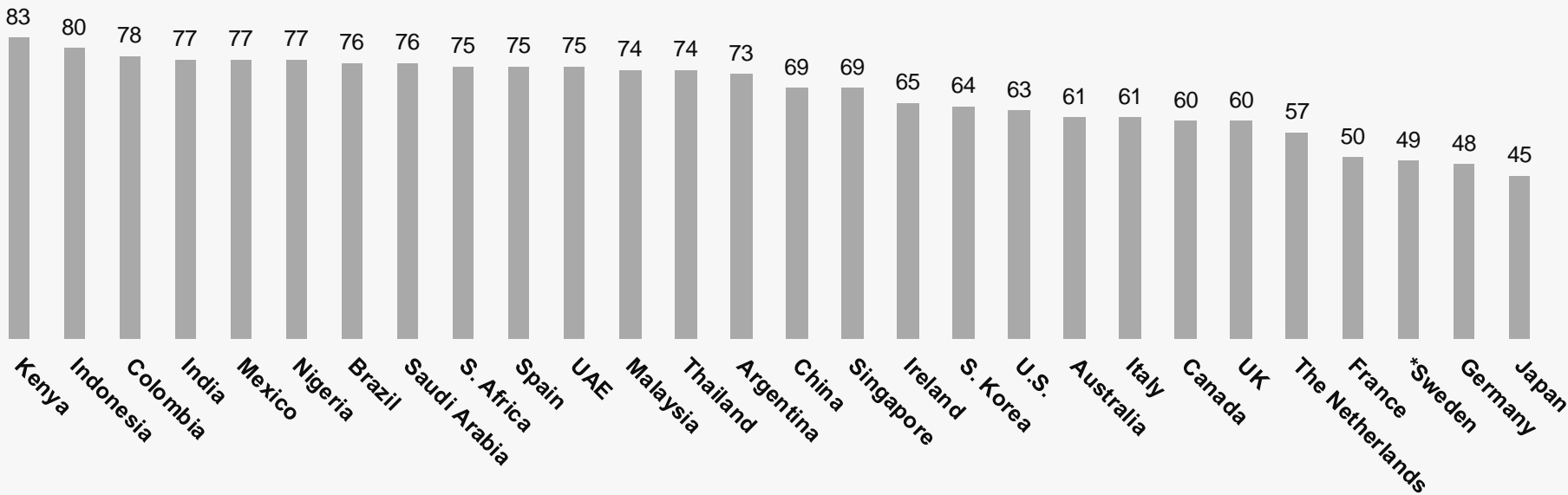
Use the Power of Brands To Create a Shared Identity

Percent who say

Brands celebrating what brings us together and emphasizing our common interest would strengthen the social fabric

GLOBAL 27

68%



2023 Edelman Trust Barometer. POL_SOL. How important do you feel each of the following would be to increasing civility among people in your country and strengthening the social fabric that binds people together? 6-point scale; top 3 box, help strengthen the social fabric. Attributes shown to half of the sample. General population, 27-mkt avg. *Sweden is not included in the global average.



Hold Divisive Forces Accountable

Percent who say

GLOBAL 25 Excludes China and Thailand

I believe CEOs are obligated to ...

Defend facts and **expose questionable science** used to justify bad social policy

72%

Pull advertising money from platforms that spread misinformation

71%

Companies could strengthen the social fabric if they

Support politicians and media that build consensus and cooperation (avg)

64%

2023 Edelman Trust Barometer. CEO_PLAY_BK How obligated do you believe CEOs are to take the following actions? 5-point scale; top 3 box, obligated. Attributes shown to half of the sample. POL_SOL How important do you feel each of the following would be to increasing civility among people in your country and strengthening the social fabric that binds people together? 6-point scale; top 3 box, help strengthen the social fabric. Attributes shown to half of the sample. General population, 25-mkt avg. Data for certain attributes not collected in China and Thailand. "When companies support politicians and media outlets that build consensus" is an average of attributes 2 and 9.



Navigating a Polarized World

1

Business must continue to lead

As the most trusted institution, business holds the mantle of greater expectation and responsibility. Leverage your comparative advantage to inform debate and deliver solutions across climate, diversity and inclusion, and skill training.

2

Collaborate with government

The best results come when business and government work together, not independently. Build consensus and collaborate on policies and standards to deliver results that push us toward a more just, secure, and thriving society.

3

Restore economic optimism

A grim economic view is both a driver and outcome of polarization. Invest in fair compensation, training, and local communities to address the mass-class divide and the cycle of polarization.

4

Advocate for the truth

Business has an essential role to play in the information ecosystem. Be a source of reliable information, promote civil discourse, and hold false information sources accountable through corrective messaging, reinvestment, and other action.



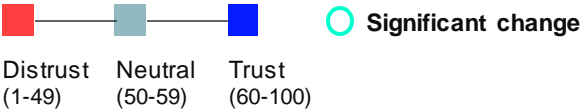
Supplemental Data



Trust Index: Trust Stable Amid Economic Headwinds

Trust Index

(the average percent trust in NGOs, business, government and media)



2023 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg. *Sweden is not included in the global average.

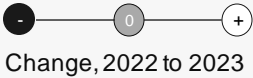
Due to a translation inconsistency, the France data was removed from this slide. For more details contact the Trust Barometer research team.

2022 General population

57	Global 26
83	China
76	UAE
75	Indonesia
74	India
72	Saudi Arabia
66	Malaysia
66	Singapore
66	Thailand
60	Kenya
59	Mexico
57	The Netherlands
56	Nigeria
54	Canada
53	Australia
53	Italy
51	Brazil
51	Ireland
48	Colombia
48	S. Africa
46	Germany
45	Argentina
45	Spain
44	UK
43	U.S.
42	S. Korea
40	Japan

2023 General population

55	Global 26
83	China
75	Indonesia
74	UAE
73	India
71	Saudi Arabia
66	Singapore
66	Thailand
63	Kenya
62	Malaysia
61	Mexico
56	Nigeria
54	The Netherlands
53	Brazil
52	Canada
51	Colombia
50	Italy
48	Australia
48	Ireland
48	U.S.
47	S. Africa
46	Germany
44	Spain
43	UK
42	Argentina
38	Japan
36	S. Korea



Biggest gainers:

U.S.	+5
Colombia	+3
Kenya	+3

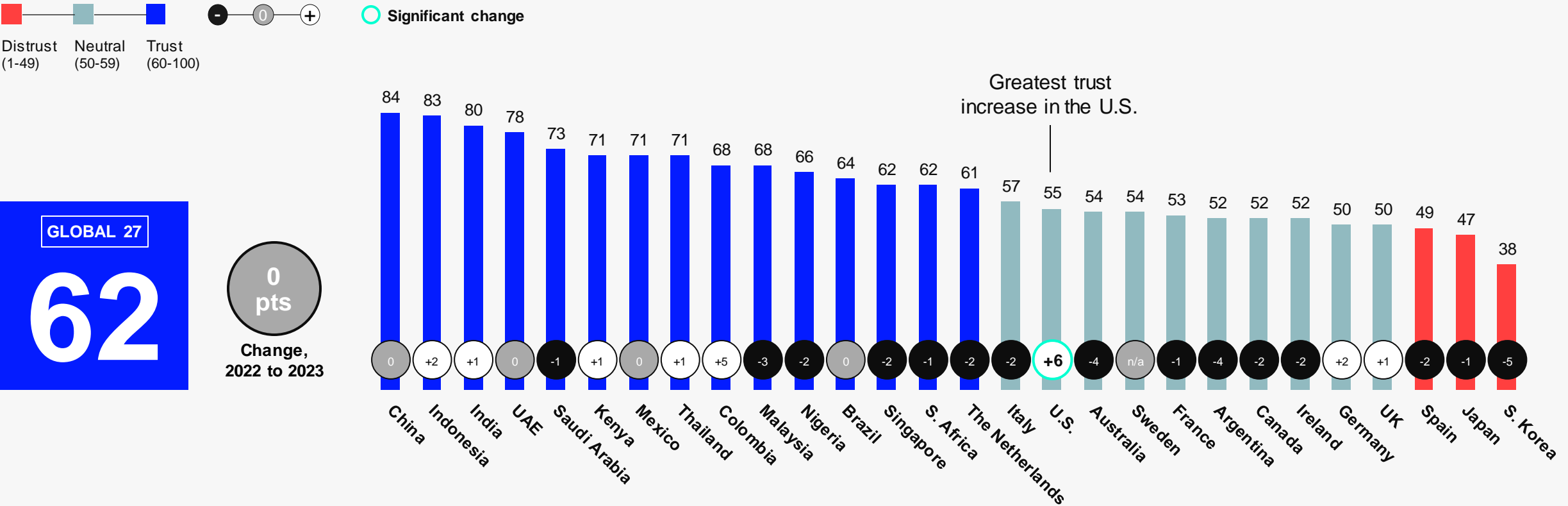
Biggest losers:

S. Korea	-6
Australia	-5
Malaysia	-4



Trust in Business Declines in 15, Gains in 8 of 27 Countries

Percent trust

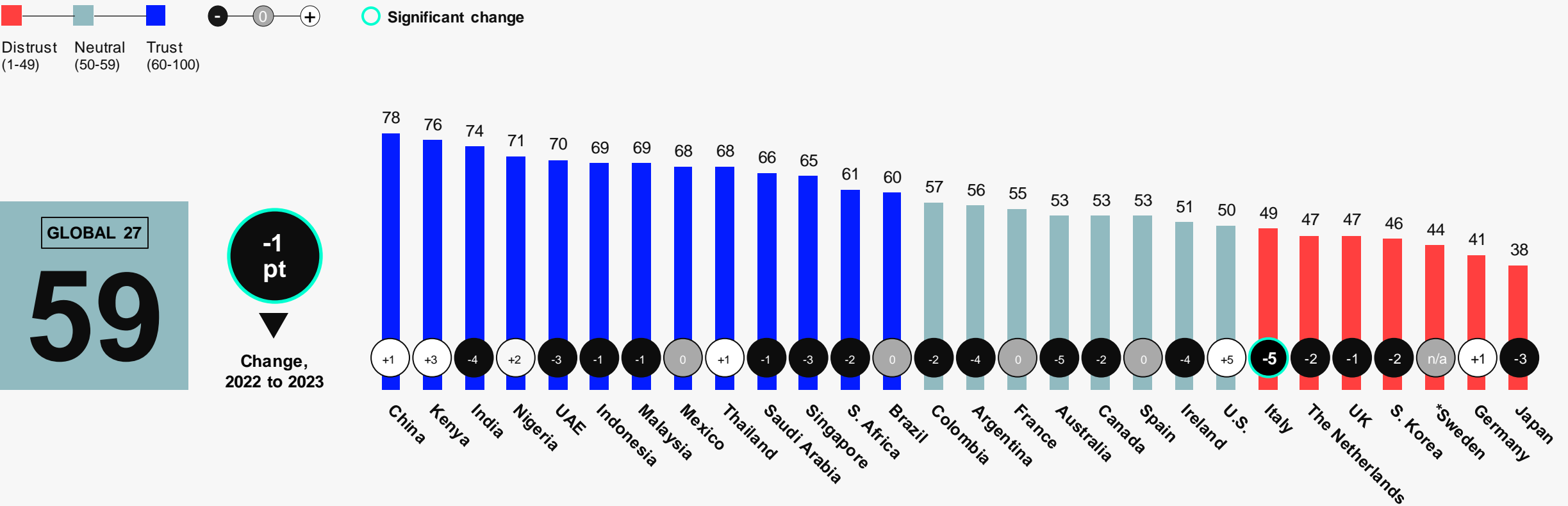


2023 Edelman Trust Barometer. TRU_INS. [BUSINESS] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 27-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Trust in NGOs Declines in 17, Gains in 6 of 27 Countries

Percent trust

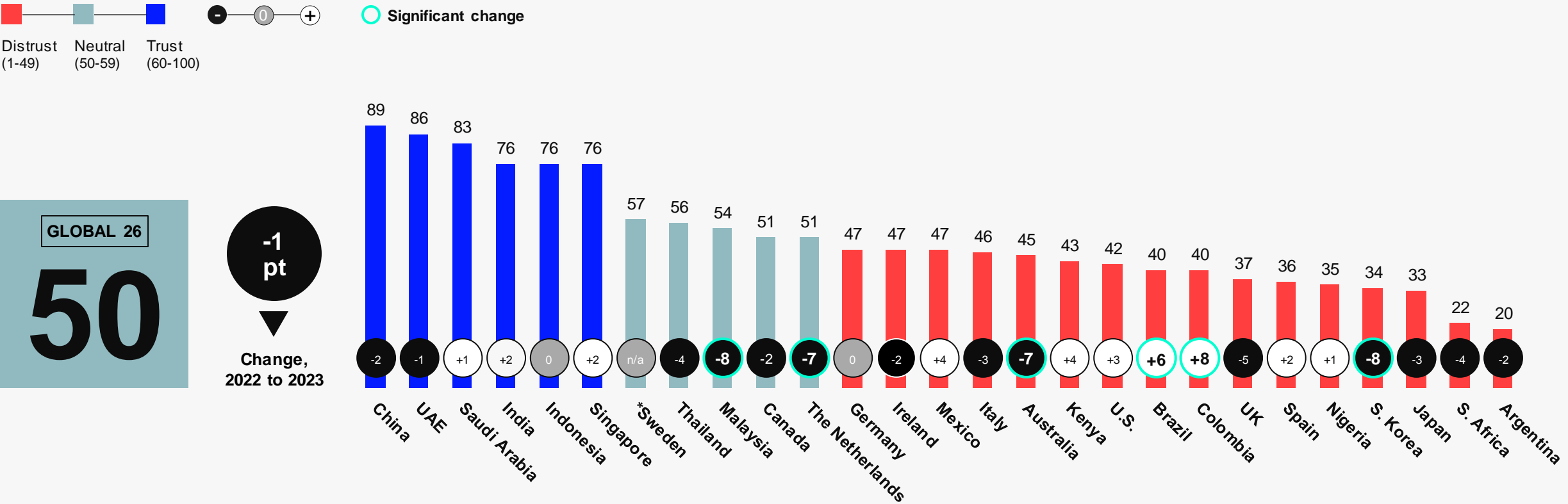


2023 Edelman Trust Barometer. TRU_INS. [NGOs] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 27-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Trust in Government Declines in 14, Gains in 10 of 26 Countries

Percent trust

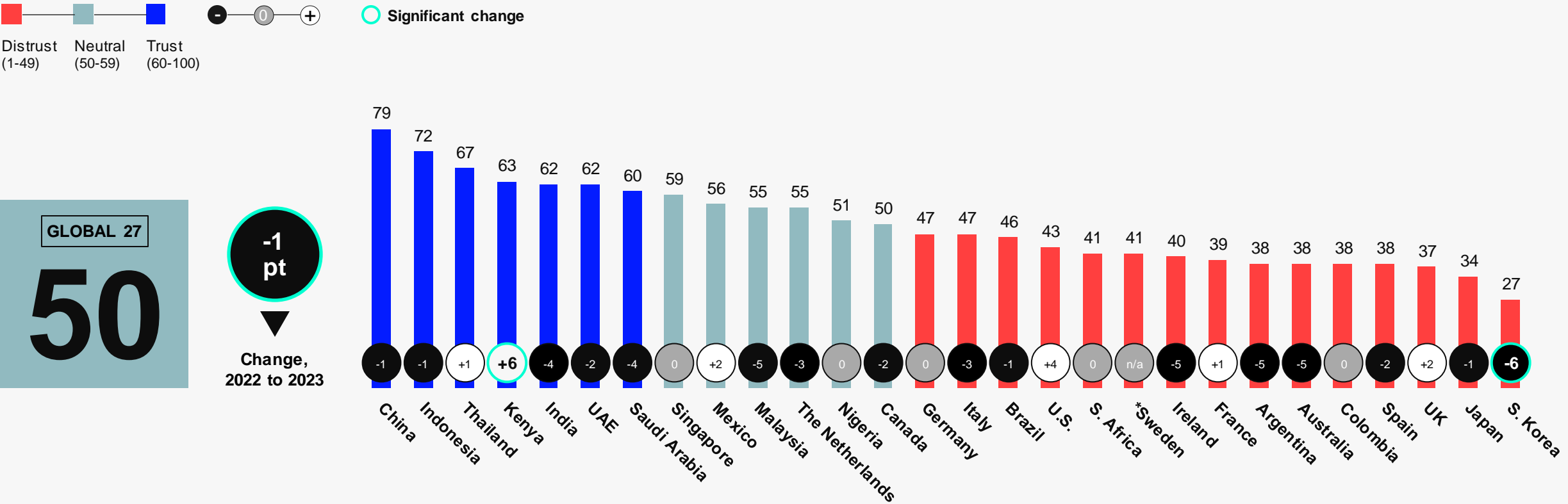


2023 Edelman Trust Barometer. TRU_INS. [GOVERNMENT] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-points scale; top 4 box, trust. General population, 26-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.

Due to a translation error, the France data was removed from this slide. For more details contact the Trust Barometer research team.

Trust in Media Declines in 16, Gains in 6 of 27 Countries

Percent trust



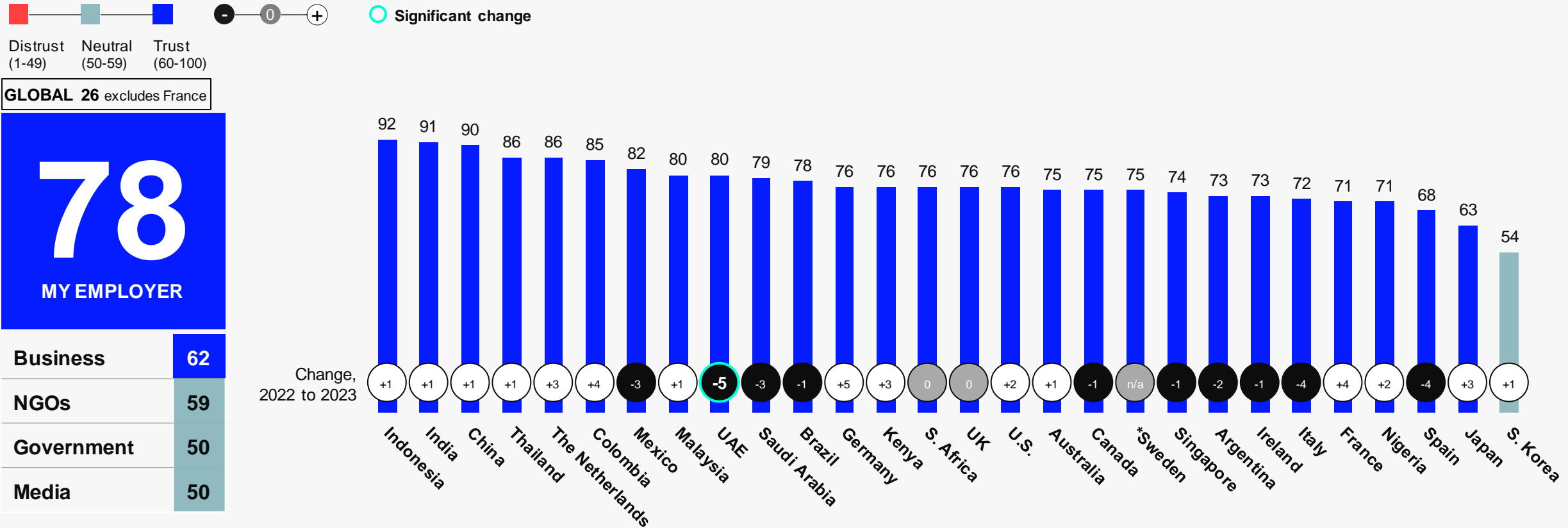
2023 Edelman Trust Barometer. TRU_INS. [MEDIA] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 27-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.

Note: in S. Korea, the term used for Media means “News media”.



My Employer Trusted Around the World

Percent trust



Change, 2022 to 2023

92

91

90

86

86

85

82

80

80

79

78

76

76

76

76

76

75

75

75

74

73

73

72

71

71

68

63

54

+1

+1

+1

+1

+3

+4

-3

+1

-5

-3

-1

+5

+3

0

0

+2

+1

-1

n/a

-1

-2

-1

-4

+4

+2

-4

+3

+1

Indonesia

India

China

Thailand

The Netherlands

Colombia

Mexico

Malaysia

UAE

Saudi Arabia

Brazil

Germany

Kenya

S. Africa

UK

U.S.

Australia

Canada

*Sweden

Singapore

Argentina

Ireland

Italy

France

Nigeria

Spain

Japan

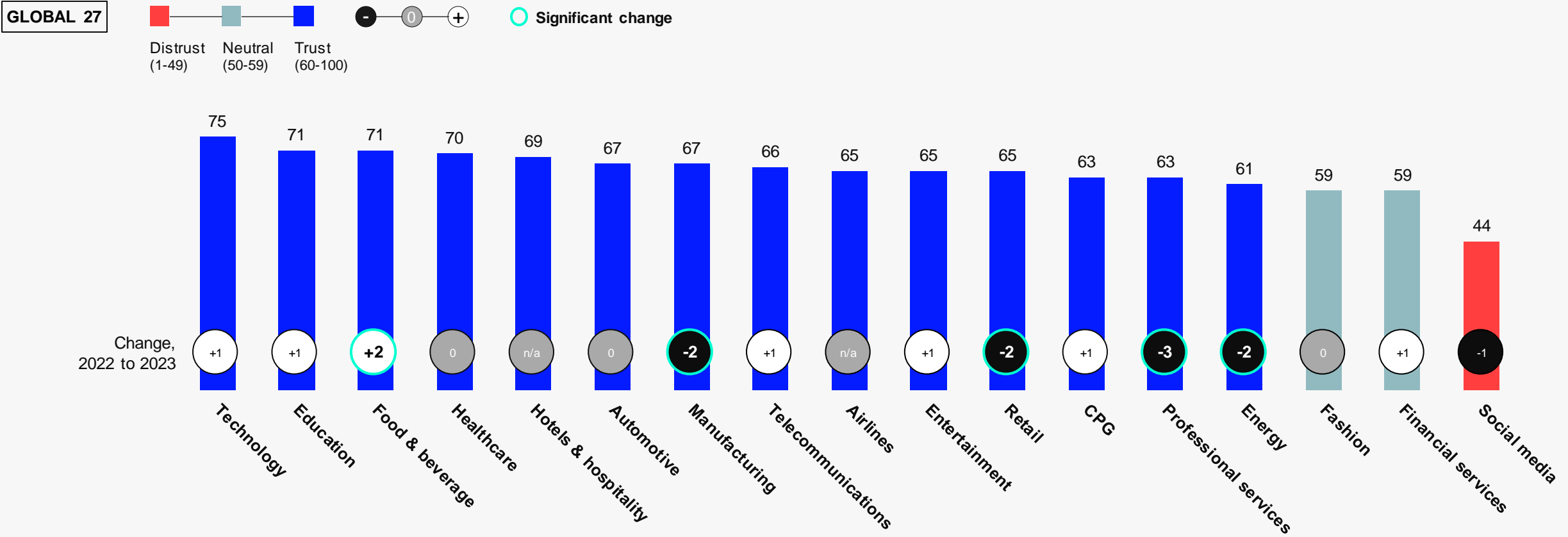
S. Korea

2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 26-mkt avg. "Your employer" only shown to those who are an employee of an organization (Q43/1). *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.

Due to a translation inconsistency, the France data was removed from the global data. For more details contact the Trust Barometer research team.

Trust in Industry Sectors Remains Stable

Percent trust

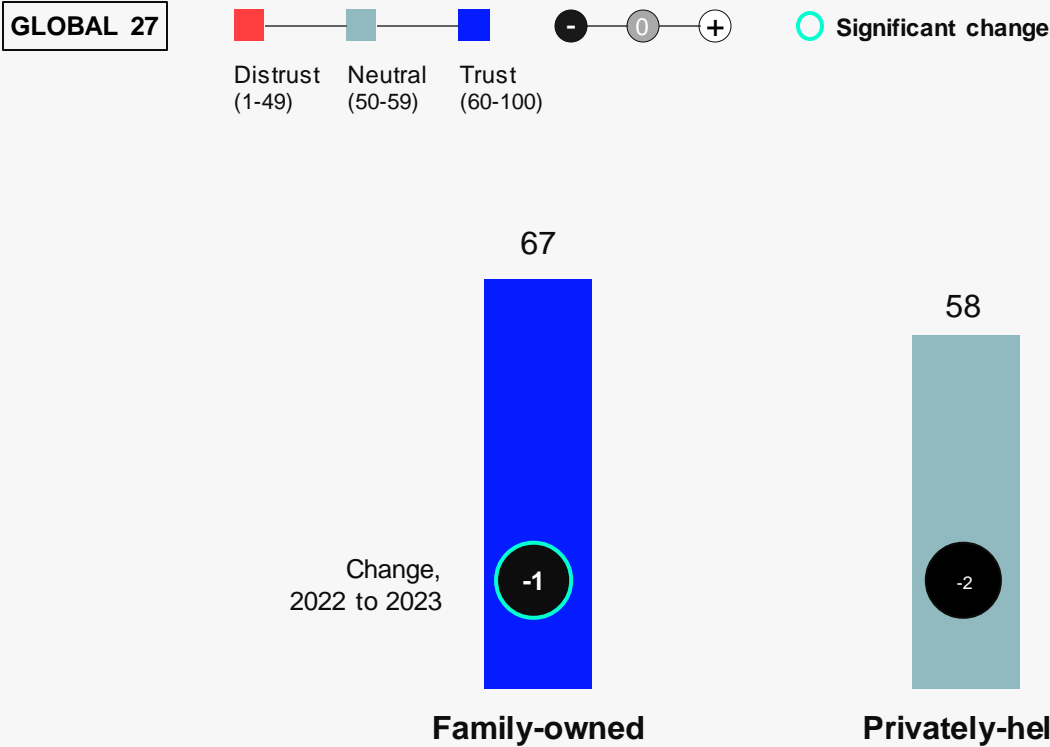


2023 Edelman Trust Barometer. TRU_IND. Please indicate how much you trust businesses in each of the following industries to do what is right. 9-point scale; top 4 box, trust. Industries shown to half of the sample. General population, 27-mkt avg. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



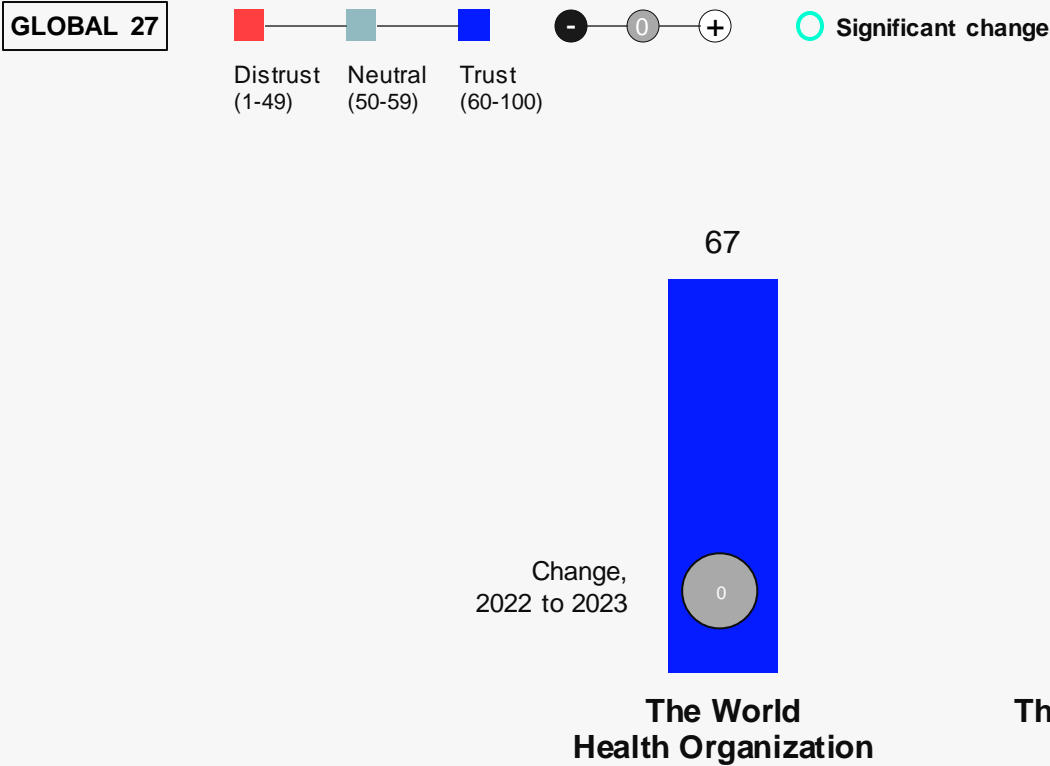
Family-Owned Businesses Most Trusted

Percent who trust each type of business to do what is right



WHO Most Trusted Multinational Organization

Percent trust

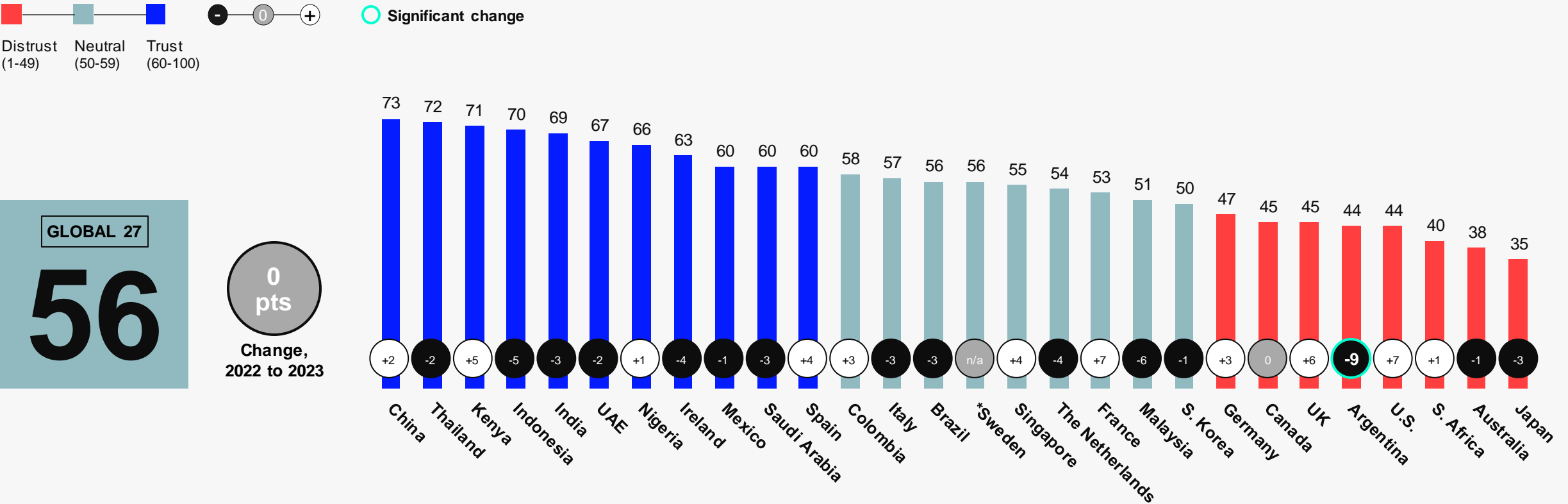


2023 Edelman Trust Barometer. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. Attributes asked of half of the sample. General population, 27-mkt avg. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Trust in the European Union Increases in 11 of 27 Countries

Percent trust

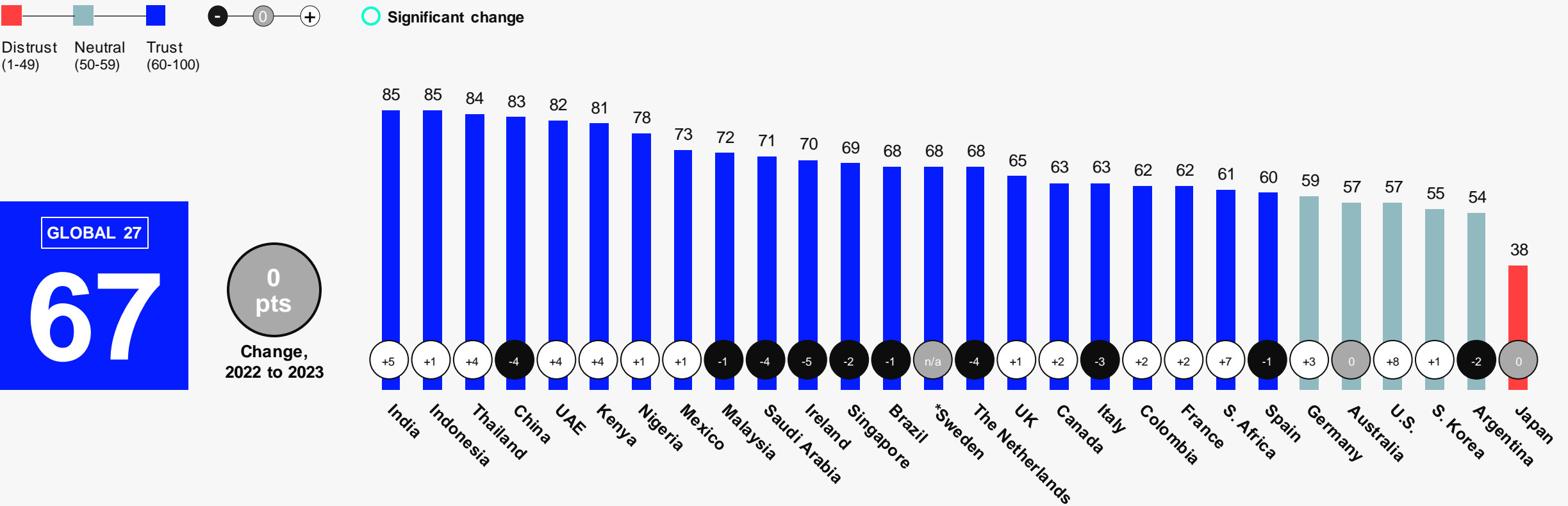


2023 Edelman Trust Barometer. TRU_INS. [THE EUROPEAN UNION] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. Attribute asked of half of the sample. General population, 27-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Trust in the World Health Organization Increases in 15 of 27 Countries

Percent trust

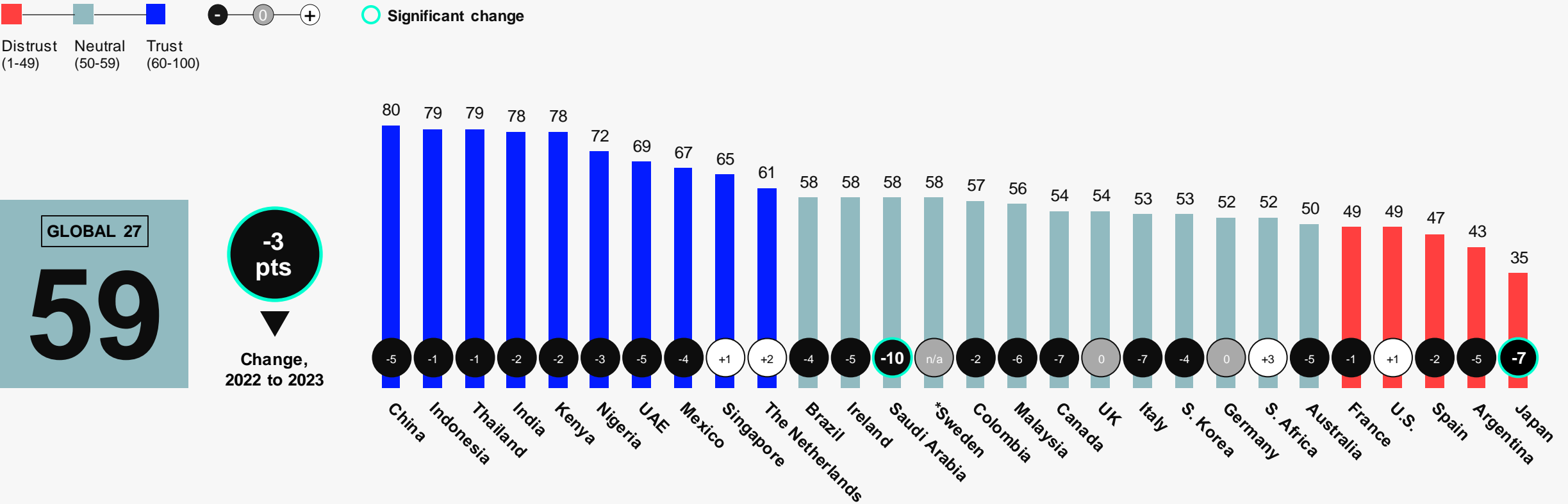


2023 Edelman Trust Barometer. TRU_INS. [THE WHO] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. Attribute asked of half of the sample. General population, 27-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Trust in the United Nations Decreases in 21 of 27 Countries

Percent trust

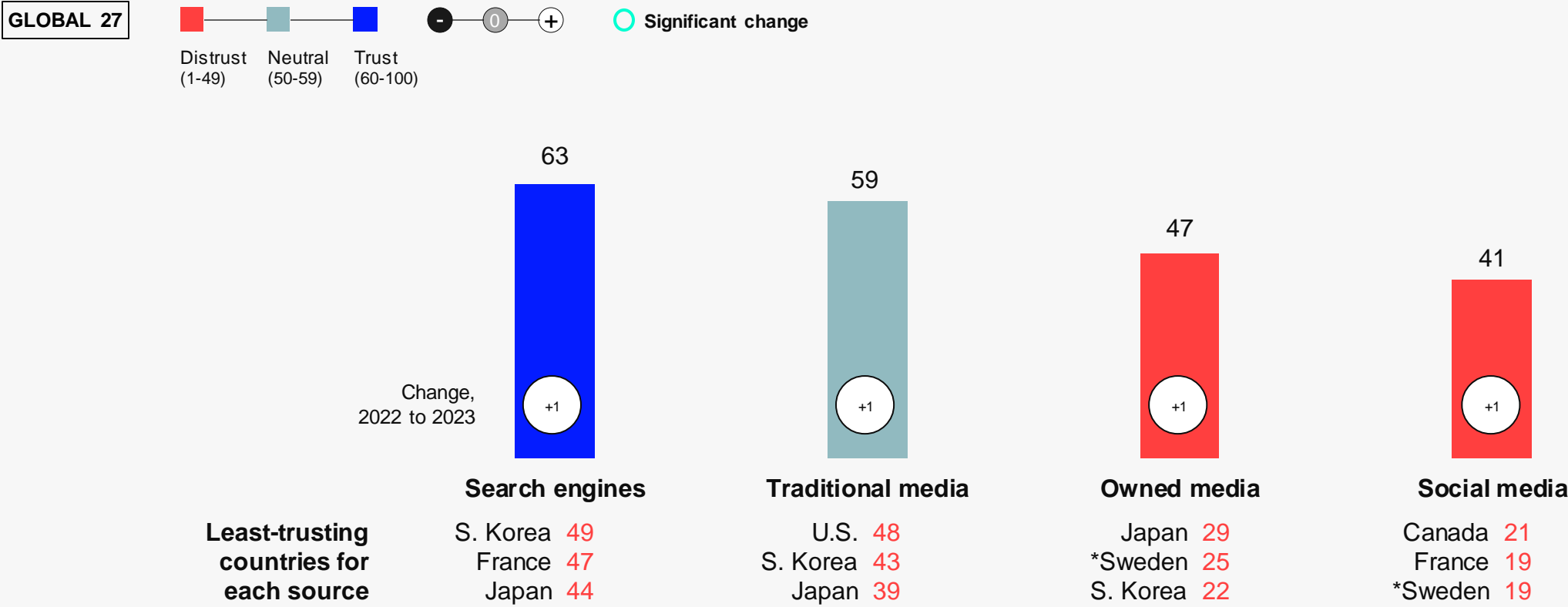


2023 Edelman Trust Barometer. TRU_INS. [THE UNITED NATIONS] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. Attribute asked of half of the sample. General population, 27-mkt avg. *Sweden is not included in the global average. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Minimal Trust Gains for News Sources

Percent trust



2023 Edelman Trust Barometer. COM_MCL. When looking for general news and information, how much would you trust each type of source for general news and information? 9-point scale; top 4 box, trust. Question asked of half of the sample. General population, 27-mkt avg. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level. *Sweden is not included in the global average.



Technical Appendix



2023 Edelman Trust Barometer: Sample

Sample Size, Quotas and Margin of Error

Market	Weighed Sample Size ¹	Unweighted Sample Size	Margin of Error – Total Sample ²	Margin of Error – Half Sample ²	Quotas Set On ³
Global 27	31,050	31,171	+/- 0.6 percentage points total sample	+/- 0.8 percentage points half sample	Quotas set at the market level
Argentina	1,150	1,120	+/- 2.9 pct pts. total sample	+/- 4.1 pct pts. half sample	Age, Gender, Region
Australia	1,150	1,152			
Brazil	1,150	1,150			
Canada	1,150	1,500	+/- 2.5 pct pts. total sample	+/- 3.6 pct pts. half sample	
China ⁴	1,150	1,149	+/- 2.9 pct pts. total sample	+/- 4.1 pct pts. half sample	
Colombia	1,150	1,151			
France	1,150	1,151			
Germany	1,150	1,150			
India	1,150	1,145			
Indonesia	1,150	1,118			
Ireland	1,150	1,150			
Italy	1,150	1,151			
Japan	1,150	1,150			
Kenya	1,150	1,150			
Malaysia	1,150	1,120			
Mexico	1,150	1,150			
Nigeria	1,150	1,142	+/- 3.0 pct pts. total sample	+/- 4.2 pct pts. half sample	
Saudi Arabia	1,150	1,082			
Singapore	1,150	1,135	+/- 2.9 pct pts. total sample	+/- 4.1 pct pts. half sample	
S. Africa	1,150	1,153			
S. Korea	1,150	1,150			
Spain	1,150	1,150			
Sweden	1,150	1,150			
Thailand	1,150	1,133			
The Netherlands	1,150	1,142			
UAE	1,150	1,143			
UK	1,150	1,150			
U.S.	1,150	1,134			

1. Data reported on slides is weighted to the same total base size to ensure each market has an equal effect on the global total. Some questions were asked of only half of the sample. Please refer to the footnotes on each slide for details.

2. Margin of error is calculated on the unweighted sample sizes collected.

3. There were additional quotas on ethnicity in the UK and U.S., and on nationality in the UAE and Saudi Arabia.

4. All data collected in China is from the mainland. Regions of Greater China were not surveyed.



2023 Edelman Trust Barometer: Sample

Countries Included in the Various Global Averages

28 countries surveyed	Global 27 average	Global 26 Excludes France	Global 25 Excludes China and Thailand	Global 24 Excludes China and Thailand	Global 24
	Used for current year averages and tracking to 2022	Used for current year averages; excludes France ²	Used for tracking to 2022; excludes sensitive markets ¹	Used for tracking to 2020; excludes sensitive markets ¹	Used for tracking to 2019
Argentina	Argentina	Argentina	Argentina	Argentina	Argentina
Australia	Australia	Australia	Australia	Australia	Australia
Brazil	Brazil	Brazil	Brazil	Brazil	Brazil
Canada	Canada	Canada	Canada	Canada	Canada
China	China	China	-----	-----	China
Colombia	Colombia	Colombia	Colombia	Colombia	Colombia
France	France	-----	France	France	France
Germany	Germany	Germany	Germany	Germany	Germany
India	India	India	India	India	India
Indonesia	Indonesia	Indonesia	Indonesia	Indonesia	Indonesia
Ireland	Ireland	Ireland	Ireland	Ireland	Ireland
Italy	Italy	Italy	Italy	Italy	Italy
Japan	Japan	Japan	Japan	Japan	Japan
Kenya	Kenya	Kenya	Kenya	Kenya	-----
Malaysia	Malaysia	Malaysia	Malaysia	Malaysia	Malaysia
Mexico	Mexico	Mexico	Mexico	Mexico	Mexico
Nigeria	Nigeria	Nigeria	Nigeria	-----	-----
Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia
Singapore	Singapore	Singapore	Singapore	Singapore	Singapore
S. Africa	S. Africa	S. Africa	S. Africa	S. Africa	S. Africa
S. Korea	S. Korea	S. Korea	S. Korea	S. Korea	S. Korea
Spain	Spain	Spain	Spain	Spain	Spain
Sweden	-----	-----	-----	-----	-----
Thailand	Thailand	Thailand	-----	-----	-----
The Netherlands	The Netherlands	The Netherlands	The Netherlands	The Netherlands	The Netherlands
UAE	UAE	UAE	UAE	UAE	UAE
UK	UK	UK	UK	UK	UK
U.S.	U.S.	U.S.	U.S.	U.S.	U.S.

1. Because some of the content we ask is deemed politically sensitive there are several countries where we take special precautions in order to avoid putting our respondents, or ourselves, in a position to break any local laws. We work closely with our sample partner and its legal team to identify which questions, and in what countries, we should refrain from asking. The two countries where we removed questions and/or answer options were China and Thailand.

2. Due to a translation inconsistency, the France data was removed from the global data. For more details contact the Trust Barometer research team.



2023 Edelman Trust Barometer: Sample

Survey Languages Used and Internet Penetration by Country

	Languages	Internet Penetration*		Languages	Internet Penetration*		Languages	Internet Penetration*
Global	-	87%	Indonesia	Indonesian	76%	S. Africa	Localized English, Afrikaans	63%
Argentina	Localized Spanish	91%	Ireland	Localized English	89%	S. Korea	Korean	97%
Australia	Localized English	89%	Italy	Italian	91%	Spain	Spanish	92%
Brazil	Portuguese	83%	Kenya	Localized English	84%	Sweden	Localized English, Swedish	97%
Canada	Localized English, Canadian French	93%	Japan	Japanese	93%	Thailand	Thai	88%
China	Simplified Chinese	70%	Malaysia	Malay	94%	The Netherlands	Localized English, Dutch	95%
Colombia	Localized Spanish	83%	Mexico	Localized Spanish	77%	UAE	Localized English, Arabic	100%
France	French	92%	Nigeria	Localized English	68%	UK	Localized English	95%
Germany	German	94%	Saudi Arabia	Localized English, Arabic	89%	U.S.	English, Localized Spanish	94%
India	Localized English, Hindi	60%	Singapore	Localized English, Simplified Chinese	92%			

*Data source: <http://www.internetworldstats.com/stats.htm> as of 1/5/23



Data Analyses Explained:

How We Plotted Countries by Polarization Levels

To visualize country-level polarization, we plotted countries based on the percentage of respondents in each country who see deep divisions and feel those divisions are entrenched.





Depth of Division forms the y-axis. A country's Division score is the percent who believe their country is very/extremely divided, using **POL_DEG**.*

POL_DEG. *Using the scale below, please indicate how divided on key societal issues you believe your country is today. 5-point scale; top 2 box = very/extremely divided.**

A country's Entrenchment score is on the x-axis. It's the percent who do not believe that their country will be able to work through its divisions, using **POL_PROG**. This score was measured *only among respondents who believe their country is very/extremely divided (POL_DEG/4-5)*.

POL_PROG. *How likely or unlikely do you think it is that your country will be able to work through or overcome its ideological divisions and lack of agreement on key issues and challenges? 8-point scale; codes 2-5 = unlikely/neutral, among POL_DEG/4-5 = Entrenched*

The table to the right shows each country's Division and Entrenchment score, as well as the total Polarization score. Cut-points were then determined that would allow us to group countries based their level of polarization. The first step in the cut-point determination process was to look for natural gaps in the scores. We then further tested these cut-points by profiling countries in each of the 4 resulting groupings to make sure that they displayed differences along key polarization-related dimensions. The final cut points used to characterize a country's level of Polarization is shown below.

-  **Severely polarized:** sum of 130 or higher
-  **In danger of severe polarization:** sum between 115 to 129
-  **Moderately polarized:** sum between 80 to 114
-  **Not polarized:** sum less than 80

Country	Division (y-axis)	Entrenchment (x-axis)	Polarization score (sum)	
Argentina	87	77	164	
Colombia	74	62	136	
U.S.	67	66	133	
Spain	56	77	133	
S. Africa	61	71	132	
Sweden	51	79	130	
Japan	47	75	122	
Italy	41	79	120	
Brazil	65	55	120	
UK	50	69	119	
The Netherlands	43	75	118	
France	51	66	117	
Mexico	52	65	117	
S. Korea	55	61	116	
Germany	41	75	116	
Australia	35	74	109	
Canada	38	71	109	
Thailand	48	50	98	
Nigeria	49	49	98	
Ireland	32	64	96	
Kenya	39	47	86	
India	35	36	71	
UAE	18	48	66	
Singapore	18	46	64	
Saudi Arabia	18	43	61	
China	14	45	59	
Malaysia	28	27	55	
Indonesia	11	44	55	

*Division score was calculated using a rebased POL_DEG excluding respondents who selected “don't know.”



Data Analyses Explained:

How We Defined Polarization Groups

To measure perceptions of societal polarization, we asked two questions, shown at the right. First, we measured the degree of perceived division on key societal issues within each country. Then, among only those who reported their country is very or extremely divided, we measured respondents’ belief that their country can work through Based on their responses to these two questions, respondents were assigned to one of the three groups described here:

- **Not very divided (code 0):** respondents who say their country isn’t very divided (POL_DEG/1-3).
- **Divided, not entrenched (code 1):** respondents who see their country as very or extremely divided (POL_DEG/4-5), but believe these divisions can be overcome or are not an issue (POL_PROG/1, 6-8).
- **Polarized: our divisions are entrenched (code 2):** respondents who see their country as very or extremely divided (POL_DEG/4-5), AND who also believe these divisions cannot be overcome (POL_PROG/2-5).

These categories also defined a three-point polarization scale which was used as the outcome variable in a linear regression we used to identify the drivers of perceptions of polarization as detailed on the regression page.

Questions related to polarization
POL_DEG: Using the scale below, please indicate how divided on key societal issues you believe your country is today.
1. Not at all divided
2. A little divided
3. Somewhat divided
4. Very divided
5. Extremely divided
99. Don't know / Not sure
POL_PROG: How likely or unlikely do you think it is that your country will be able to work through or overcome its ideological divisions and lack of agreement on key issues and challenges?
1. Ideological divisions and a lack of agreement on key issues are not a problem in this country
2. It will never happen
3. Very unlikely
4. Unlikely
5. Neither likely nor unlikely
6. Likely
7. Very likely
8. It will definitely happen
99. Don't know / Not sure



2023 Edelman Trust Barometer Global Report

How We Calculated the Determinants of Polarization

We also wanted to know what leads to polarization. We found that distrust, identity, unfairness, and pessimism were significant drivers.

The factors depicted in the report are significant drivers of polarization as determined by a linear regression. Polarization refers to the 3-pt scale described on the polarization definition slide. The full model, depicted below, accounts for 17.71% of the observed variance in polarization scores.

Polarization=
(0.2351)+(.3380)DistrustIn Government+(.3068)LackOfSharedIdentity+(.2478)Systeml nequality +(.1465)EconomicPessimism+(.1431)SocietalFears+(.1062)DistrustInMedia

The coefficient listed next to each factor indicates the increase in the polarization score associated with that factor being present, holding all other factors constant. This standardized value allowed us to rank the importance of each predictor variable and determine what factors drive polarization the most. All coefficients were significant at a p<.001 level.

Drivers	Coefficient
Distrust in government	.3380
Lack of shared identity	.3068
Systemic unfairness	.2478
Economic pessimism	.1465
Societal fears	.1431
Distrust in media	.1062
Constant	.2351

Drivers	Question text and scoring
Distrust in government	TRU_INS. [GOVERNMENT] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. <i>9-point scale; bottom 4 box = distrust in government</i>
Lack of shared identity	SOC_FAB_STR. How true is each of the following statements regarding the current situation in your country? For each one, please rate how true you believe that statement is using a nine-point scale where one means it is “not at all true” and nine means it is “completely true”. <i>9-point scale; (r1,3,6,7), average score between 1-5 = lack of shared identity</i>
Systemic unfairness	POP_MDC. Below is a list of statements. For each one, please rate how true you believe that statement is using a nine-point scale where one means it is “not at all true” and nine means it is “completely true”. <i>9-point scale; (r2,3,18*,19*), average score of 6 or greater = systemic unfairness</i> <i>*reverse scored</i>
Economic pessimism	CNG_FUT. Thinking about the economic prospects for yourself and your family, how do you think you and your family will be doing in five years’ time? Select one response. <i>5-point scale, codes 4,5 = economic pessimism</i>
Societal fears	POP_EMO. Some people say they worry about many things while others say they have few concerns. We are interested in what you worry about. Specifically, how much do you worry about each of the following? Please indicate your answer using a nine-point scale where one means “I do not worry about this at all” and nine means “I am extremely worried about this”. <i>9-point scale; top 4 box at a majority of items (r14, 27, 43, 30, 31, 32, 33) = societal fears</i>
Distrust in media	TRU_INS. [MEDIA] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. <i>9-point scale; bottom 4 box = distrust in media</i>



Data Analyses Explained:

How We Plotted the Institutional Competence and Ethics Scores

We define trust as the combination of competence and ethics. The report features a chart depicting how competent and ethical each of the institution are rated to be. Here’s how we calculated each score.

The competence score (the x-axis of the plot): An institution’s competence score is a net of the top 3 box (AGREE) minus the bottom 3 box (DISAGREE) responses to the question “To what extent do you agree with the following statement? *[INSTITUTION] in general is good at what it does*”. The resulting net score was then subtracted by 50, which means that for an institution to qualify as competent, it would require a net difference of 51 points or more in its percentage of top 3-box ratings versus its bottom 3-box ratings. This ensures that an institution could not be considered competent unless there is a majority who rate it as such.

The net ethical score (the y-axis of the plot): The ethics dimension is defined by four separate items. For each item, a net score was calculated by taking the top 5 box percentage representing a positive ethical perception minus the bottom 5 box percentage representing a negative ethical perception. The y-axis value is an average across those 4 net scores. Scores higher than zero indicate an institution that is perceived as ethical.

Respondents were asked:

In thinking about why you do or do not trust *[INSTITUTION]*, please specify where you think they fall on the scale between the two opposing descriptions. *(Please use the slider to indicate where you think [INSTITUTION] falls between the two extreme end points of each scale.)*

Dimension	Ethical Perception	Unethical Perception
Purpose-Driven	Highly effective agents of positive change	Completely ineffective agents of positive change
Honest	Honest and fair	Corrupt and biased
Vision	Have a vision for the future that I believe in	Do not have a vision for the future that I believe in
Fairness	Serve the interests of everyone equally and fairly	Serve the interests of only certain groups of people



2023 Edelman Trust Barometer: Analyses

How We Calculated Belief-Driven Buyers

In the June 2022 Edelman Trust Barometer Special Report: The New Cascade of Influence, respondents were asked a series of questions regarding the role their values, opinions about social issues, and political beliefs played in their purchasing decisions. The Belief-Driven Buyer (BDB) scale was created by averaging respondents’ answers to the seven 9-pt agree/disagree scale items, shown in the table to the right.

- Non-belief-driven buyers were those that scored between 1 – 4.99 on the BDB scale, meaning on average they disagreed with these statements.
- Respondents who scored between 5.00 – 9.00 on the BDB scale were classified as belief-driven buyers, meaning on average they saw themselves reflected at least to some extent in these statements

Respondents were asked:

Please indicate how much you agree or disagree with the following statements

1.	Even if a company makes the product that I like most, I will not buy it if I disagree with the company’s stand on important social issues
2.	If a brand offers the best price on a product, I will buy it even if I disagree with the company’s stand on controversial social or political issues
3.	I have bought a brand for the first time for the sole reason that I appreciated its position on a controversial societal or political issue
4.	I have stopped buying one brand and started buying another because I liked the politics of one more than the other
5.	I have strong opinions about many societal and political issues. The brands I choose to buy and not buy are one important way I express those opinions.
6.	I have stopped buying a brand solely because it remained silent on a controversial societal or political issue that I believed it had an obligation to publicly address



Full
question
text



2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

Personal Economic and Societal Fears

POP_EMO. Some people say they worry about many things while others say they have few concerns. We are interested in what you worry about. Specifically, how much do you worry about each of the following? Please indicate your answer using a nine-point scale where one means “I do not worry about this at all” and nine means “I am extremely worried about this”.

Shortened	Full
Job loss (net)	Automation and/or other innovations taking your job away Your job being moved to other countries where workers are paid less Cheaper foreign competitors driving companies like yours out of business Not having the training and skills necessary to get a good paying job International conflicts about trade policies and tariffs hurting the company you work for Losing your job as a result of a looming recession Permanent jobs with benefits being replaced by freelance, gig-economy or short-term jobs that do not offer benefits
Inflation	Your pay increases not keeping up with the inflation rate causing you to lose ground financially
Climate change	Climate change leading to drought, rising sea levels and other natural disasters
Nuclear war	International conflicts escalating into nuclear war
Food shortages	Food shortages leading to hoarding, riots, and hunger
Energy shortages	An energy shortage that makes it difficult for you to heat your home, power your appliances, or keep your car fueled



2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

Polarization Fears

NAT_POL_CONS. What do you see as the likely consequences of these divisions within your country if they are not addressed?

Shortened	Full
Worsening prejudice and discrimination	The worsening of prejudice and discrimination
Slower economic development	Our rate of economic development will slow, and we will not be well positioned for future prosperity
Violence in the streets	Violence in the streets
Inability to address societal challenges	An inability to adequately address our societal challenges
I will suffer financially	I will suffer financially



2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

Business Engagement on Societal Issues

BUS_BND. Think about business as an institution, and its current level of engagement in addressing societal needs and issues. When it comes to each of the following areas, please indicate if you think business is going too far and overstepping what it should be doing, is doing just the right amount in regard to this activity, or is not going far enough in its actions and should be doing more.

Shortened	Full
Climate change	Addressing climate change
Economic inequality	Redressing economic inequality, narrowing the opportunity gaps between the richest and poorest in this country, and lifting people out of poverty
Energy shortages	Addressing global energy shortages and increasing energy costs
Healthcare access	Increasing access to good quality healthcare
Trustworthy information	Controlling the malicious spreading of misleading and false information and ensuring the availability of trustworthy information
Workforce reskilling	Doing the workforce reskilling and retraining necessary to keep people employable whose jobs are being eliminated or greatly altered by automation and artificial intelligence



2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

Expectations for CEOs on Societal Issues

CEO_ISS_EXP. For each of the following issues, please indicate what you expect CEOs to do.

Shortened	Full
Treatment of workers	Treatment of workers
Climate change	Climate change
Discrimination	Discrimination and the treatment of minority groups
Wealth gap	How to address the gap between the rich and poor
Immigration	Immigration, refugees, and guest workers



2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

Business Can Avoid Being Seen As Politically Motivated

ENG_ISS_HOW. You just said that it is possible for a business to engage in addressing contentious societal issues in ways that you would not consider to be political or politically motivated. Which of the following would be ways that a company could do that?

Shortened	Full
Be a trustworthy information source	Be a trustworthy information source regarding an issue but don't take sides
Base actions on science	Show that their actions are based on generally agreed upon facts or well-established scientific evidence
Don't align with only one political party	Show how their engagement on societal issues over time does not consistently align with one political party or another
Act on same values over time	Tie their actions to a set of values that they have consistently supported over time
Link actions to staying competitive	Link their actions to the needs of their business and their ability to stay competitive in the marketplace



2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

CEO Obligations

CEO_PLAY_BK. How obligated do you believe CEOs are
to take the following actions?

Shortened	Full
Pay a fair wage	Pay a fair wage to all employees and work to ensure that their suppliers are doing the same
Ensure their home community is safe and thriving	Work to ensure that the community in which their organization is headquartered is safe, strong, and thriving
Pay fair corporate taxes	Make sure that their organization pays its fair share of local taxes to help fund government programs meant to improve the education system, increase access to good quality healthcare, expand public services, and provide job retraining to displaced workers
Retrain employees	Retrain workers whose jobs are eliminated due to technology and automation
Defend facts and expose questionable science used to justify bad social policy	Defend facts and expose questionable or fraudulent science being used to justify bad law or social policy
Pull advertising money from platforms that spread misinformation	Pull the organization’s advertising money out of media platforms and news outlets that do not adequately control the spread of misinformation



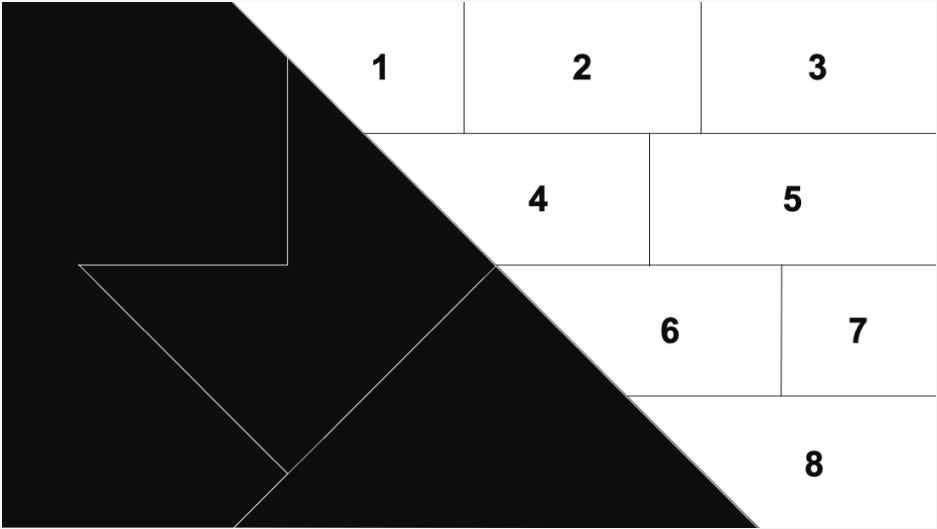
2023 Edelman Trust Barometer:
Full Text For Answer Choices Abbreviated

Business Strengthening the Social Fabric

POL_SOL. How important do you feel each of the following would be to increasing civility among people in your country and strengthening the social fabric that binds people together?

Shortened	Full
Support politicians and media that build consensus and cooperation (avg)	<div>Companies using their power and influence to get politicians to engage in consensus building and cooperation</div> <div>Companies spending their advertising money on media channels and news programs that emphasize cooperation, moderation, and consensus building, and not on those which worsen divisions among different groups of people and support extreme positions</div>





Cover Image Credits

- 1. The Queen Visits Drapers' Hall in London For Luncheon On The 70th Anniversary Of Her Majesty's Admission To The Freedom Of The Company: *Chris Jackson - WPA Poolp via Getty Images*
- 2. Supporters Of Brazilian Former President Jair Bolsonaro Invade Planalto Presidential Palace On Jan 8 In Brazil: *Sergio Lima/ AFP via Getty Images*
- 3. Ukrainian President Volodymyr Zelensky During A Join Press Conference With UN Secretary-General in Kyiv, Ukraine: *Sergei Supinsky/ AFP via Getty Images*
- 4. Pakistan's Naval Personnel Rescue Flood-affected People From Their Homes: *Aamir Qureshi/ AFP via Getty Images*
- 5. Solidarity Demonstration In Memory Of Mahsa Amini In Krakow, Poland: *Beata Zawrzel/ NurPhoto via Getty Images*
- 6. Elon Musk Offers To Buy Twitter: *Jakub Porzycki/ NurPhoto via Getty Images*
- 7. Sam Bankman-fried, CEO Of FTX US Derivatives , Testifies During The U.S. House Agriculture Committee Hearing: *Tom Williams/ CQ-Roll Call, Inc via Getty Images*
- 8. Health Workers Wear Protective Suits As They Disinfect An Area Outside A Barricaded Community in China: *Kevin Frayer via Getty Images*

Divider Image Credits

- Slide 4 Four Forces That Lead To Polarization**
Economic Anxieties: *Don't Pay UK protest Over Rising Fuel Bills in London, England: Guy Smallman via Getty Images*
Institutional Imbalance: *U.S. Capital building: Douglas Rissing via iStock/Getty Images; Low angle of high-rise buildings in Toronto, Canada: Sean Pollock via Unsplash*
Mass-Class Divide: *Activists' Groups, The Poor People's Campaign And Low-Wage Workers' Assembly March On Wall Street: Michael M. Santiago via Getty Images*
The Battle for Truth: *Woman reading news on smartphone and laptop in Thailand: Oatawa via iStock/ Getty Images*
- Slide 5 Facing Economic Fears Without a Trust Safety Net**
Woman Checking Her Bill At The Supermarket in Serbia: LordHenriVoton via Getty Images
- Slide 14 Distrust Breeds Polarization**
Supporters of Brazilian former President Jair Bolsonaro invade Planalto Presidential Palace on Jan 8 in Brazil: Sergio Lima/ AFP via Getty Images
- Slide 25 Great Expectations, Heightened Risk for Business**
Activists of Trinamool Congress in Kolkata, India display banners and slogans against government policies Dibyangshu sarkar/ AFP via Getty Images
- Slide 31 Navigating a Polarized World**
Volunteers picking up plastics at lakeshore in Germany: Maskot via Getty Images



2023 Edelman Trust Barometer Team

EDELMAN TRUST INSTITUTE

Executive Director, Thought Leadership	Tonia E. Ries tonia.ries@edelman.com
Thought Leadership Research	David M. Bersoff, Ph.D. david.bersoff@edelmandxi.com Theresa Peterson, M.A.
Research Analysis and Operations	Cody Armstrong Abbey Derse Rosie Delk Claire Ritzmann Catherine Aumiller
Data and Analytics	John Zamites Kiera Cooke
Narrative and Content Strategy	Drake Baer Esther Choi Chloe Buckley Brooke Walker
Edelman Trust Institute Leadership, Partnerships and Content Teams	Justin Blake Ellie Smith Caitlin Semo Susannah Ferris

ADVISORS

Executive Advisors	Richard Edelman Kirsty Graham Dave Samson
DXI Research Advisor	Antoine Harary

MARKETING

Marketing	Vanessa Pymble Mike Bush Polly Mingledorff Ryann Gastwirth Kayley Goff Pamela Blandon Heather Daniels-Gontier Romain Maradan
Design	John Plecha Megan Gilbert Han Xu



Item No: 15.7

Subject: **CODE OF PRACTICE – ACCESS TO MEETINGS AND DOCUMENTS**

Date: 12 September 2023

Written By: Executive Officer and Assistant to the Mayor

Chief Executive Officer: Mr R Bria

SUMMARY

Section 92 of the *Local Government Act 1999* requires Council to have a Code of Practice – Access to Meetings and Documents (the Code). The Code sets out the commitment of the City of Holdfast Bay to provide public access to Council and Council Committee meetings and documents.

Before Council adopts, alters or substitutes a Code of Practice under section 92(5) it must make copies of the proposed Code available for inspection at the Brighton Civic Centre and on Council's website and follow the relevant steps in the public consultation policy (Community Consultation and Engagement Policy).

RECOMMENDATION

That Council:

1. **endorses the proposed Code of Practice – Access to Meetings and Documents for the purpose of public consultation;**
 2. **notes the public consultation will commence on 14 September 2023 and conclude on 5 October 2023, in accordance with Council's Community Consultation and Engagement Policy, and the legislative requirement of a minimum 21 days public consultation; and**
 3. **notes that a report is to come back to Council's 24 October 2023 meeting that includes:**
 - a. **any submissions received during the public consultation period regarding the Code of Practice – Access to Meetings and Documents; and**
 - b. **a final proposed Code of Practice – Access to Meetings and Documents for Council to consider and adopt.**
-

STRATEGIC PLAN

Statutory compliance

COUNCIL POLICY

Code of Practice – Meeting Procedures
Internal Review of Council Decisions (s270) Policy
Community Consultation and Engagement Policy
Fees and Charges Register

STATUTORY PROVISIONS

Local Government Act 1999
Freedom of Information Act 1991

BACKGROUND

The Local Government (Act) requires each council to prepare and adopt a code of practice relating to the principles, policies, procedures and practices for access to meetings and documents (the Code). The Act requires that the Code be reviewed within the first year of the new Council term.

The Code applies to all ordinary and special meetings of Council and Council Committees at the City of Holdfast Bay and the associated agenda, reports, minutes and attachments that relate to those meetings.

The previous Code of Practice – Access to Meetings and Documents was last reviewed and endorsed by Council on 22 February 2022 to include a change to legislation relating to Informal Gatherings.

REPORT

The City of Holdfast Bay supports the principle that the procedures to be observed at a meeting of Council or a Council Committee should contribute to open, transparent and informed decision-making and encourage appropriate community participation in the affairs of Council. However, Council also recognises that on occasions, it may be necessary in the broader community interest, to restrict public access to discussion and/or documents.

The objectives of the Code are to ensure that there are clear guidelines for the public in relation to:

- Public access to Council and Council Committee meetings and the documents of those meetings
- Matters from which Council or a Council Committee can order that the public be excluded
- How Council will approach the issue of confidentiality provisions of the Act
- Review of confidentiality orders
- Accountability and reporting to the community and the availability of the Code

- Grievance procedures to be followed if a member of the public believes that the Council has unreasonably restricted public access on a particular matter

In accordance with section 92(2) of the Act, Council is required to review the Code of Practice – Access to Meetings and Documents within twelve months after the conclusion of each periodic election.

A thorough review of the Code has been undertaken and is recommended for public consultation for a period of 21 days, to commence on 14 September 2023 and conclude on 5 October 2023. A proposed version of the Code for consultation is provided for member's reference.

Refer Attachment 1

Most amendments proposed are minor/typographical in nature, however the review has led to most areas being modified to improve the flow of the Code. A tracked changes version is available upon request should Elected Member's require a copy. The more substantial changes are outlined below.

- Item 4 - added additional definitions
- Included Item 5.1.5 that the CEO may include an indication that a matter contained in the agenda, if the Council so determines, be considered in confidence
- Item 7.3 – added clause (o) - *information relating to a proposed award recipient before the presentation of the award*

Legal advice has also been sought to identify any further improvements or provisions for 'best practice' and has been reviewed to ensure legislative compliance.

Section 92(5) of the Act states before a council adopts, alters or substitutes a Code of Practice under this section it must:

- a) undertake public consultation on the proposed code, alterations or substitute code (as the case maybe); and
- b) follow the relevant steps set out in its public consultation policy.

The relevant process in Council's Community Consultation and Engagement Policy that will be applied will be those relating to the promise to consult:

"Consult – two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making- Council will listen and acknowledge concerns and aspirations and provide feedback."

Following the completion of this process, the outcome of the consultation will be provided to Council with the Code brought back to Council for consideration and adoption.

BUDGET

An advertisement will be placed in the newspaper (The Advertiser) and accommodated within existing budget.

LIFE CYCLE COSTS

Not applicable

Attachment 1



Code of Practice – Access to Meetings and Documents

Adopted by Council 7 April 2020
Updated by Council TBC
Reviewed by Council TBC

1. PREAMBLE

The City of Holdfast Bay supports the principle that the procedures to be observed at a meeting of Council or a Council Committee should contribute to open, transparent and informed decision-making and encourage appropriate community participation in the affairs of Council.

However, Council also recognises that on occasions, it may be necessary in the broader community interest, to restrict public access to discussion and/or documents.

Background

- i. The *Local Government Act 1999* (the **Act**) sets out arrangements for meetings and requires that all Council and Council Committee meetings are held in public except where special circumstances exist.
- ii. Section 90 of the Act outlines the circumstances in which a document or discussion considered in a Council or Committee meeting can be kept confidential.

2. PURPOSE

The Code of Practice - Access to Meetings and Documents sets out the commitment of the City of Holdfast Bay to provide public access to Council and Committee meetings and documents. It also outlines the policies and procedures contained within the Act, to restrict public access.

3. SCOPE

This Code of Practice applies to all ordinary and special meetings of Council and Council Committees at the City of Holdfast Bay and the associated agenda, reports, minutes and attachments that relate to those meetings.

The objectives of the **Code** are to ensure that there are clear guidelines for the public in relation to:

- Public access to Council and Committee meetings and the documents of those meetings
- Matters from which Council or a Council Committee can order that the public be excluded
- How Council will approach the use of confidentiality provisions of the Act
- Review of confidentiality orders
- Accountability and report to the community, and the availability of the Code
- Grievance procedures to be followed if a member of the public believes that the Council has unreasonably restricted public access on a particular matter

The Code of Practice does not apply to the City of Holdfast Bay's Council Assessment Panel (CAP) as the requirements of CAP are defined within the *Planning, Development and Infrastructure Act 2016*.

4. DEFINITIONS

For the purposes of this Code the following definitions apply:

<u>Term</u>	<u>Definition</u>
Act	<i>Local Government Act 1999</i>
Code	this Code of Practice – Access to Meetings and Documents
Clear Days	In the calculation for giving notice before a meeting: the day on which the notice is given and the day on which the meeting occurs will not be taken into account. Saturdays, Sundays and public holidays will be taken into account. If notice is given after 5pm, the notice will be taken as given on the next day.
Minutes	A formal record of the items discussed, business transacted and the resolutions made of a meeting of Council or Council Committee.
Deputation	A person or group of persons who wish to appear personally before the Council or Council Committee in order to address the Council or Committee on a particular matter.
Personal Affairs	Being a person's financial affairs, criminal records, marital or other personal relationships, personal qualities, attributes or health status, or that person's employment records, employment performance or suitability for a particular position, or other personal matters relating to the person, but does not include the personal affairs of a body corporate.
Council Committee	A Committee of Council established under section 41 of the <i>Local Government Act 1999</i> or any other Committee established under the Act, including any subcommittee.

5. PUBLIC ACCESS TO DOCUMENTS

5.1 Public access to the agenda for meetings

- 5.1.1 At least three (3) 'clear days' before the Council or Council Committee meeting (unless a Special Meeting has been called) the Chief Executive Officer will give written notice of the meeting to all Council/Committee members setting out the date, time and place of the meeting. The notice will be accompanied by the agenda for the meeting.
- 5.1.2 The notice and agenda are to be placed on public display at the principal office at Brighton Civic Centre, 24 Jetty Road, Brighton and on Council's website www.holdfast.sa.gov.au.
- 5.1.3 The notice and agenda must be kept on public display and continue to be published on the website until the completion of the relevant meeting.
- 5.1.4 Items listed on the agenda are to be described accurately and in reasonable detail.
- 5.1.5 Agenda papers provided to members of Council, or members of a Council Committee, may include an indication from the Chief Executive Officer

The electronic version of this document is the controlled version. Printed copies are considered uncontrolled.

Before using a printed copy, verify that it is the controlled version.

that information or matters contained in or arising from the document or report may, if the Council or Council Committee so determines, be considered in confidence with the public to be excluded. Where this occurs, the Chief Executive Officer must specify the basis under which the order could be made in accordance with section 83(5) (Council) and 87(10) (Committee) of the Act .

- 5.1.6 The Council or Council Committee may then determine to consider the matter in confidence, provided that it specifies the basis on which the confidential order could be made.
- 5.1.7 Copies of the agenda documents and non-confidential reports will be available for public inspection at the Brighton Civic Centre.
- 5.1.8 Otherwise, members of the public may obtain a copy of the agenda and non-confidential reports for a fee to cover the costs of photocopying, in accordance with Council's schedule of fees and charges.

5.2 Public access to meetings

- 5.2.1 Council and Council Committee meetings are open to the public and attendance by the public is encouraged except where the Council (or Council Committee) considers it lawful and necessary to exclude the public from the consideration of a particular matter.
- 5.2.2 In some instances, the Council (or the Council Committee) may form the view that it is necessary in the broader community interest to exclude the public from the discussion (and, if necessary, decision) of a particular matter. The public will only be excluded when it is considered proper and necessary i.e., an applicable ground under section 90(3) can be relied upon and the need for confidentiality outweighs the principle of open decision making or the disclosure of such information is, on balance, contrary to the public interest.
- 5.2.3 Meeting schedules are made available for public viewing on the website.
- 5.2.4 The public may consider participation through deputations in accordance with Council's Code of Practice - Meeting Procedures.

6. **INFORMATION AND BRIEFING SESSIONS**

Council Members and staff may participate in information or briefing sessions provided that a matter is not dealt with in such a way as to obtain or effectively obtain, a decision outside of a formally constituted meeting of Council or Council Committee.

The following are examples of informal information or briefing session that may be held:

- Planning sessions associated with the development of policies and strategies
- Training sessions
- Workshops; and
- Social gatherings to encourage informal communication between Elected Members and staff

Whether or not an information or briefing session has been open to the public, the following information must be published as soon as practicable after holding the session:

- The place, date and time of the session
- The matter discussed at the session; and
- Whether or not the session was open to the public

Information or briefing sessions are conducted in accordance with section 90A(1) of the Act.

7. PROCESS TO EXCLUDE THE PUBLIC FROM A MEETING

- 7.1 Before the meeting orders that the public be excluded to enable the receipt, discussion and consideration of a particular matter, the meeting must, in public, formally determine if it is necessary and appropriate and then, if it is, pass a resolution to exclude the public while dealing with that particular matter. If this occurs the public must leave the room. For the operation of section 90(2) a member of the public does not include an employee of Council.
- 7.2 Once Council or Council Committee has made the order, it is an offence for a person, knowing that an order is in force, to enter or remain in a room in which such a meeting is being held. It is lawful for an employee of the Council or a member of the police to use reasonable force to remove the person from the room if that person fails to leave on request.
- 7.3 In accordance with the requirements of section 90(3) of the Act, Council or a Council Committee may order the public be excluded from the meeting to allow confidential discussion of matters where there are grounds under the following provisions:
- a. *Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);*
 - b. *Information the disclosure of which –*
 - i. *would reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - ii. *would, on balance, be contrary to the public interest;*
 - c. *information the disclosure of which would reveal a trade secret;*
 - d. *commercial information of a confidential nature (not being a trade secret) the disclosure of which –*
 - i. *could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - ii. *would, on balance, be contrary to the public interest;*

- e. *matters affecting the security of the council, members or employees of the council, or council property; or the safety of any person;*
- f. *information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial;*
- g. *matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;*
- h. *legal advice;*
- i. *information relating to actual litigation, or litigation the Council or Council Committee believes on reasonable grounds will take place, involving the Council or an employee of the Council;*
- j. Information the disclosure of which –
 - i. *would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person engaged by the Council); and*
 - ii. *would, on balance be contrary to the public interest;*
- k. *tenders for the supply of goods, the provision of services or the carrying out of works;*
- m. *information relating to a proposed amendment to a Development Plan under the Development Act 1993 before a Development Plan Amendment proposal relating to the amendment is released for public consultation under the Act*
- n. *information relevant to the review of a determination of a Council under the Freedom of Information Act 1991;*
- o. *information relating to a proposed award recipient before the presentation of the award.*

7.4 In considering whether an order should be made under section 90(2), it is irrelevant that discussion of a matter in public may cause embarrassment or a loss of confidence in the Council, a Committee, Members or an employee.

7.5 Where a person provides information to the Council or a Council Committee for consideration and requests that it be kept confidential, Council is not able to consider this request unless the matter falls within one of the grounds under section 90(3) of the Act. If this is the case, Council will then be in a position to consider the request on its merits.

- 7.6 For the convenience of the public present at a meeting, where it is resolved to consider a matter in confidence, the matter may be deferred until all other business has been dealt with.
- 7.7 In all cases the objective is that information be made publicly available at the earliest opportunity.

8. USE OF CONFIDENTIALITY PROVISIONS

- 8.1 Any consideration of the use of the confidentiality provision to exclude the public from the discussion of a particular matter at a meeting will require the identification of one or more of the grounds listed in section 90(3) of the Act.
- 8.2 Information regarding the grounds on which an order to exclude the public is made will be conveyed to the public at the time of them being ordered to leave the meeting. The public will not be excluded until after the confidentiality motion has been carried and sufficient reasons for the need to exclude the public given.
- 8.3 When discussion of the matter is concluded, and while the meeting is still in a confidential session, the meeting will consider if it is necessary to make an order that a document associated with that agenda item (including minutes) is to remain confidential. In determining this, the meeting will have regards to the provisions of section 91.
- 8.4 The Council will determine the matter of confidentiality on each item separately, determining the relevant grounds for confidentiality for each item.
- 8.5 When an order of confidentiality is made, the Council or Council Committee is required to make a note in the minutes of the making of the order, the grounds on which it was made, the duration of the order or the circumstances in which the order will cease to apply or a period after which the order will be reviewed. In each case the review period must not be for a period longer than 12 months, in accordance with the Act.

9. PUBLIC ACCESS TO MINUTES AND OTHER DOCUMENTS

- 9.1 The Act requires councils to make available a number of documents. Many of these are set out in Schedule 5 of the Act and are available for inspection and purchase (for a fee) by the public at the Brighton Civic Centre. Council may also make available a document in electronic form and place it on the website for public access.
- 9.2 Minutes of a meeting of Council or Council Committee must be made available in accordance with section 132(1) and Schedule 5 of the Act.
- 9.3 Minutes of a meeting of Council or Council Committee, apart from confidential matters, will be publicly available, including Council's website within five (5) days after the meeting.

- 9.4 Council or Council Committees can only resolve to keep minutes and/or other meeting documents confidential under section 91(7) if they were considered or dealt with in confidence at a Council or Council Committee meeting pursuant to sections 90(2) and 90(3).
- 9.5 Under section 91 of the Act there are provisions for access to Council documents. Enquiries in relation to the process for seeking access to documents held by Council should be directed to Council's accredited Freedom of Information Officer.
- 9.6 The Council's minutes, reports, recommendations and financial statements are available for inspection without payment. If a member of the public seeks access to a document which is subject to a current confidentiality order of the Council in accordance with section 91(7) of the Act will need to make an application under the *Freedom of Information Act 1991*.

10. REVIEW OF CONFIDENTIALITY ORDERS

A confidentiality order made under section 91(7) of the Act must specify the duration of the order or the circumstances in which the order will cease to apply, or a period after which the order must be reviewed. Any order that operates for a period exceeding 12 months must be reviewed at least once in every year.

An order will lapse if the time or event specified has been reached or carried out. There is no need for Council to resolve for the confidentiality order to be lifted in those circumstances. Once an order has lapsed, the minutes and/or documents automatically become public.

Orders that exceed 12 months must be reviewed annually. The conduct of the annual review can be delegated to the Chief Executive Officer and sub-delegated to an employee of the council, if appropriate. The Council (or the authorised delegate) must assess whether the determined grounds for making the confidentiality order still apply (in whole or part) and, if so, provide the relevant grounds and reasons for the minutes and/or documents remaining confidential.

If there are any items that require a fresh confidentiality order because the original order is about to expire, then the reviewer will prepare a report to Council making recommendations with respect to each item to be retained in confidence. Each item must be addressed separately and assessed against section 90(3) and section 91(7) of the Act.

If there is no longer a need for the confidentiality order, then the Council or Council Committee may revoke an order made in accordance with section 91(7) of the Act. If an employee has delegated power to make the decision to revoke, it will not need to go to Council for decision. At the time of making the order under section 91(7) the Council or Council Committee can resolve whether any delegation is given to an employee to revoke the order and if relevant, any conditions associated with the delegation.

Released documents are available on Council's website at www.holdfast.sa.gov.au.

11. ACCOUNTABILITY AND REPORTING TO THE COMMUNITY

A report on the use of sections 90(2) and 91(7) by the Council and Council Committees must be included in the annual report of Council as required by Schedule 4 of the Act. This supports a commitment to the principle of accountability to the community.

The reporting should include the following information in the annual report:

- Number of occasions that each of the provisions for excluding the public were utilized
- Subject of the confidential item
- number of occasions that information originally declared confidential has subsequently been made publicly available
- number of occasions that information declared confidential has not been made publicly available and the reason for this in each case

12. REVIEW OF THE CODE OF PRACTICE

In accordance with section 92(2) of the Act Council is required to review the Code of Practice within 12 months of a periodic election (i.e., every four (4) years). Council can review the Code at any time if considered desirable.

Before the Council adopts, alters or substitutes this Code of Practice, it must follow the relevant steps set out in its public consultation policy.

13. GRIEVANCE

Council has established procedures under section 270 of the Act for the review of decision by:

- Council and Council Committees
- An employee of the Council
- Other persons acting on behalf of the Council.

People who have a complaint about public access to either a formal Council or Council Committee meeting, or Council agendas, and their attached documents or minutes, can lodge an application for review of the decision under the procedures established by Council. The procedures are available on Council's website www.holdfast.sa.gov.au.

14. AVAILABILITY OF THE CODE OF PRACTICE

This Code is available for inspection during normal business hours from our principal office:

Civic Centre
24 Jetty Road
Brighton SA 5045

It is also available for viewing, downloading and printing free of charge from Council's website www.holdfast.sa.gov.au.

15. REFERENCES

Legislation

- *Freedom of Information Act 1991*
- *Local Government Act 1999*

Policies and Procedures

- Code of Practice – Meeting Procedures
- Internal Review of Council Decisions (s270) Policy
- Community Consultation and Engagement Policy
- Fees and Charges Register

This Code is based on a model code developed by the Local Government Association.

Item No: 15.8

Subject: **LOCAL GOVERNMENT CEO SALARY REMUNERATION TRIBUNAL DETERMINATION**

Date: 12 September 2023

Written By: General Manager, Assets and Delivery

General Manager: Assets and Delivery, Ms P Jackson

SUMMARY

In response to the determination made by the Remuneration Tribunal in relation to the minimum and maximum remuneration of chief executive officers, a draft response has been prepared for consideration.

RECOMMENDATION

That Council endorses the proposed submission to the Remuneration Tribunal as presented in Attachment 1.

STRATEGIC PLAN

Not applicable

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999 (SA) section 99A

BACKGROUND

On 20 September 2021, section 60 Of the *Statutes Amendment (Local Government Review) Act 2021 (SA)* came into operation. This inserted section 99A into the *Local Government Act 1999 (SA)* conferring jurisdiction on the Remuneration Tribunal to determine the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils constituted under the *Local Government Act 1999 (SA)*.

In June 2023, the Remuneration Tribunal released its determination.

REPORT

Through the 2022/23 Chief Executive Officer Performance Review process, the Executive Committee and Council have considered the determination and how it relates to the particular characteristics of City of Holdfast Bay.

At its meeting on 25 July 2023, Council requested a submission be made to the Tribunal for the City of Holdfast Bay.

A draft submission has been prepared and is attached for Council's consideration.

Refer Attachment 1

A copy of the Remuneration Tribunal report is included as Attachment 2 for reference.

Refer Attachment 2

BUDGET

Not applicable

LIFE CYCLE COSTS

Not applicable

Attachment 1



holdfast.sa.gov.au

Brighton Civic Centre 24 Jetty Road, Brighton SA 5048

PO Box 19 Brighton SA 5048

P 08 8229 9999 F 08 8298 4561

Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

13 September 2023

Mr Matthew O'Callaghan
President
Remuneration Tribunal
GPO Box 1045
ADELAIDE SA 5001

Dear Mr O'Callaghan

2023 Inaugural Review of Minimum and Maximum Remuneration for Local Government Chief Executive Officers

Thank you for providing the Report and Determination issued by the Remuneration Tribunal today concerning the minimum and maximum remuneration for local government Chief Executive Officers.

The challenges in arriving at a determination are duly recorded in the Report and it is acknowledged that the current lack of standardisation across the sector created a fraught landscape for the Tribunal to navigate.

The Tribunal's desire to create common standards for what constitutes a total remuneration package and how to account for its components is supported. It is also acknowledged that some councils, typically those that are rural or remote, have recruitment challenges that need to be offset by attractants such as specific allowances, subsidised housing, and similar. This is considered fair and reasonable, and such attractants should be able to be offered over and above the wage inherently associated with the job value.

In principle, it is considered reasonable that local government remuneration rules broadly follow rules for executive remuneration in State and Commonwealth governments, which provides a larger comparison pool. These well-established schemes show how a diverse range of roles can still be effectively assessed against standardised criteria.

As quoted from the Second Reading Speech in the Report, the intent of the legislation in charging the Tribunal with the task of setting remuneration levels for local government Chief Executive Officers was to "to provide assurances to communities that CEOs are paid appropriately for the work that they do."



It is therefore curious that future remuneration levels have been determined on existing arrangements, rather than an evidence-based assessment of job values. The approach taken assumes that councils have currently assessed job values consistently and correctly, which is unlikely to hold true under scrutiny.

The City of Holdfast Bay has unique factors that should be considered when assessing the salary of the Chief Executive Officer. The Council owns an Aged Care facility, which the Chief Executive Officer has responsibility for. This facility has seen significant growth in the last few years, with a 26% increase in total revenue exceeding \$30 million, and a 22% increase in FTE numbers. It is expected this growth will continue. In addition, the City of Holdfast Bay is the State's premier seaside destination. In 2022/23, there were 1.1 million visitors to the council area, resulting in \$172 million of visitor expenditure into the State's economy. The leadership of the Chief Executive Officer is critical to ensuring this continual growth in tourism.

To assure that the intent of the legislation can be met, it is suggested that remuneration banding be underpinned by assessed work value. A mechanism such as the Mercer CED job evaluation system can be used to assess the relative work value of Chief Executive Officer roles across the sector. These assessments can then be benchmarked against roles of similar value in the market and appropriate bands can be determined.

Such an approach would provide the benefit of evidence-based assurance for communities that their Chief Executive Officer is being remunerated fairly for the role they fulfil. It would also enable councils to clearly know what they can expect and provide a fair indication of the costs of meeting their expectations. Overall, it would provide a more objective and fairer system within local government, as well as enabling clearer career pathways within the sector.

Yours sincerely

Amanda Wilson
MAYOR

Attachment 2



No. 4 of 2023

REPORT OF THE REMUNERATION TRIBUNAL

2023 Inaugural Review of Minimum and Maximum Remuneration for Local Government Chief Executive Officers

SUMMARY

1. On 20 September 2021, section 60 of the *Statutes Amendment (Local Government Review) Act 2021* (SA) came into operation. This inserted section 99A into the *Local Government Act 1999* (SA) conferring jurisdiction on the Tribunal to determine the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils constituted under the *Local Government Act 1999* (SA).
2. The Tribunal collected data in relation to the current total remuneration package of chief executive officers by way of two surveys. This occurred over an extended period of time due to the lack of response and inconsistencies of the first survey and the inaccuracies and incomplete information provided through the second survey, which required further consultation with councils.
3. For this inaugural review, the Tribunal has determined to group 67 councils into eight bands. While these bands have some generally common characteristics, the Tribunal recognises differences and potential anomalies in terms of council characteristics within and between some of these bands. Each band is based on the data provided by councils in relation to the total remuneration package of their chief executive officer. The Tribunal has then applied assumptions in relation to the value of the provision of a motor vehicle and any additional leave entitlements beyond that of usual administrative staff. This has resulted in a figure described as an “adjusted total remuneration package” for each chief executive officer who is covered by this review.
4. For the future, the Tribunal proposes to progress toward a review of the minimum and maximum remuneration of chief executive officers on a four yearly basis that is commensurate with the timeframe for local government member allowances. However, because this is the first review of this nature and it is based on data that is conflicting and inconsistent, it is acknowledged that councils may need to refer specific instances to the Tribunal for consideration. The Tribunal proposes to review the minimum and maximum remuneration amounts in July 2024 to take account of any feedback from councils and chief executive officers

and annual wage and cost of living movements. The Tribunal expects any council who, as part of any future review, identifies significant differences in the remuneration package to provide sufficient detail and reasons as to why this is the case.

INTRODUCTION

5. Section 14 of the *Remuneration Act 1990* (SA) (**Act**) provides that the Remuneration Tribunal (**Tribunal**) has jurisdiction to determine the remuneration, or a specified part of the remuneration, payable in respect of certain offices, if such jurisdiction is conferred upon the Tribunal by any other Act or by the Governor by proclamation.
6. On 20 September 2021, section 60 of the *Statutes Amendment (Local Government Review) Act 2021* (SA) (**Amending Act**) came into operation. This inserted section 99A into the *Local Government Act 1999* (SA) (**LG Act**) to confer jurisdiction upon the Tribunal to determine the minimum and maximum remuneration that may be paid or provided to chief executive officers (**CEOs**) of councils constituted under the LG Act.
7. This review marks the first occasion on which the Tribunal has considered remuneration for local government CEOs.

LEGISLATIVE PROVISIONS

8. Section 99A of the LG Act states:

“99A—Remuneration of chief executive officer

- (1) *Subject to this section, the remuneration of the chief executive officer of a council will be determined by the council.*
- (2) *The Remuneration Tribunal will determine (from time to time) the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils.*
- (3) *In making a determination under subsection (2), the Remuneration Tribunal must have regard to any matter prescribed by the regulations.*
- (4) *A determination under subsection (2)—*
 - (a) *may differ based on any factor including, for example, the geographical location of a council or group of councils (such that different minimum and maximum remuneration may be paid or provided to chief executive officers from different councils); and*
 - (b) *may provide for minimum and maximum remuneration that may be paid or provided to chief executive officers to be indexed in accordance with the determination.*
- (5) *The regulations—*
 - (a) *may make further provision in relation to a determination of the Remuneration Tribunal for the purposes of this section; and*
 - (b) *may modify the application of section 10 of the Remuneration Act 1990 in relation to a determination under this section.*
- (6) *Sections 17 and 19 of the Remuneration Act 1990 do not apply in relation to a determination under this section.*
- (7) *A reference in the Remuneration Act 1990 to determining remuneration payable in respect of an office will, for the purposes of this section, be taken to include a reference to determining the minimum and maximum remuneration payable in respect of the office.*

(8) *Despite any other Act or law, the reasonable costs of the Remuneration Tribunal in making a determination under this section are to be paid by the LGA under an arrangement determined by the Minister from time to time after consultation with the LGA and the President of the Tribunal.*

(9) *The LGA may recover the reasonable costs incurred by the Remuneration Tribunal in making a determination under this section as a debt from the councils to which the determination relates.*

(10) *A council must ensure that the remuneration of its chief executive officer is within the relevant minimum and maximum remuneration determined by the Remuneration Tribunal for the purposes of this section."*

9. The Tribunal has noted that some limited guidance about the intention of the above legislative provision can be drawn from the second reading speech in the following terms:

*"The bill also proposes that the South Australian Remuneration Tribunal should set salaries for council chief executive officers to provide assurances to communities that CEOs are paid appropriately for the work that they do."*¹

10. The Tribunal has considered the function of CEOs as these are expressed in the LG Act:

"99—Role of chief executive officer

(1) *The functions of the chief executive officer include—*

- (a) *to ensure that the policies and lawful decisions of the council are implemented in a timely and efficient manner;*
- (b) *to undertake responsibility for the day-to-day operations and affairs of the council;*
- (c) *to provide advice and reports to the council on the exercise and performance of its powers and functions under this or any other Act;*
- (d) *to co-ordinate proposals for consideration by the council for developing objectives, policies and programs for the area;*
- (e) *to provide information to the council to assist the council to assess performance against its strategic management plans;*
- (f) *to ensure that timely and accurate information about council policies and programs is regularly provided to the council's community, and to ensure that appropriate and prompt responses are given to specific requests for information made to the council;*
- (g) *to ensure that the assets and resources of the council are properly managed and maintained;*
- (h) *to ensure that records required under this or another Act are properly kept and maintained;*
- (i) *to give effect to the principles of human resource management prescribed by this Act and to apply proper management practices;*
- (j) *to exercise, perform or discharge other powers, functions or duties conferred on the chief executive officer by or under this or other Acts, and to perform other functions lawfully directed by the council.*

(2) *The chief executive officer must consult with the council (to a reasonable degree) when determining, or changing to a significant degree—*

- (a) *the organisational structure for the staff of the council; or*

¹ South Australia, Parliamentary Debates, House of Assembly, 17 June 2020 (Stephan Knoll).

- (b) *the processes, terms or conditions that are to apply to the appointment of senior executive officers; or*
- (c) *the appraisal scheme that is to apply to senior executive officers.”*

11. The Act provides a definition of remuneration, as follows:

“3—Interpretation

In this Act—

remuneration *includes—*

- (a) *salary; and*
- (b) *allowances; and*
- (c) *expenses; and*
- (d) *fees; and*
- (e) *any other benefit of a pecuniary nature;*

the Tribunal *means the Remuneration Tribunal established under Part 2.”*

12. The Tribunal has also noted the transitional provisions at section 147(5) of the Amending Act as follows:

“The remuneration of a chief executive officer holding office on the commencement of section 99A of the principal Act (as inserted by this Act) is not affected during the term of that office by a determination under section 99A.”

PROCEDURAL HISTORY

13. Section 10(2) of the Act provides that prior to making a determination affecting the remuneration of a particular person, or persons of a particular class, the Tribunal must allow that person, or the persons of that class, a reasonable opportunity to make submissions orally or in writing to the Tribunal.
14. Section 10(4) of the Act provides that the Minister responsible for the Act may intervene, personally or by counsel or other representative, in proceedings before the Tribunal for the purpose of introducing evidence, or making submissions, on any question relevant to the public interest.
15. On 13 December 2021, the Tribunal met with the Local Government Association of South Australia (**LGA**) to discuss the Tribunal’s proposed process and guidelines for submissions.
16. On 20 December 2021, the Tribunal wrote to the Premier of South Australia, as the Minister responsible for the Act, the Minister for Local Government, as the Minister responsible for the LG Act, the LGA and local government CEOs, inviting submissions.
17. Additionally, on 20 December 2021, a public notification of the review and a guideline for the making of submissions was published on the Tribunal’s website.
18. The guidelines advised the Tribunal would consider the following factors in making its determination:
 - 18.1. The role of local government CEOs generally, including the diversity and complexity of the functions and duties performed by CEOs.

- 18.2. Any factors that demonstrate effective service delivery and responsible expenditure of public resources, including, but not limited to, any observations on the significance of this consideration.
 - 18.3. The impact of council elected member code of conduct issues on the role of local government CEOs.
 - 18.4. The impact of any mergers or amalgamations of local government councils on the role of the CEO.
 - 18.5. Any regional issues, for example, housing entitlements or remote locality entitlements in regional local government areas.
 - 18.6. The geographical size (area) of the council.
 - 18.7. The revenue (\$) of the council.
 - 18.8. Number of electors (persons) of the council.
 - 18.9. The impact of council staff numbers (FTE) on the role of the CEO and the extent to which CEOs of smaller councils undertake a diversity of roles.
 - 18.10. The methodology by which any determination of minimum and maximum CEO remuneration bands should be indexed (CPI for example), and the frequency of further reviews of the remuneration bands by the Tribunal (4 yearly cycle as per elected members, for example).
 - 18.11. Any other relevant information for the Tribunal's consideration.
19. These guidelines took into account the provisions of section 99A of the LG Act which states:
- “(3) In making a determination under subsection (2), the Remuneration Tribunal must have regard to any matter prescribed by the regulations.*
- (4) A determination under subsection (2)—*
- (a) may differ based on any factor including, for example, the geographical location of a council or group of councils (such that different minimum and maximum remuneration may be paid or provided to chief executive officers from different councils); and*
- (b) may provide for minimum and maximum remuneration that may be paid or provided to chief executive officers to be indexed in accordance with the determination.”*
20. The closing date for written submissions was 11 March 2022.
21. On 10 January 2022, the LGA wrote to the Tribunal offering its support with this review and proposing to conduct a survey of CEOs remuneration. The Tribunal provided examples of the elements of remuneration that could be collected through a survey.
22. On 23 February 2022, the LGA provided an update to the Tribunal that it had received 30 responses from a total of 68 CEOs. The LGA advised it was uncertain as to whether the data from 30 councils constituted a fair and representative sample of CEOs remuneration. The Tribunal was of the view that a broader sample of information was required, noting there was real potential for a decision of the Tribunal to profoundly affect CEOs whose remuneration information had not been provided.
23. The Tribunal also noted that some CEOs may be reticent to provide information relating to their remuneration to the LGA and, on this basis, the Tribunal wrote to CEOs on 17 March 2022 requesting a spreadsheet be completed and returned directly to the Tribunal by 1 April 2022.

24. The Tribunal is sensitive to the potential confidentiality issues in relation to the information provided and as a result will not be disclosing individual names or information within this report or the accompanying determination.
25. As part of this process, the Tribunal received a further 12 surveys.
26. The Tribunal conducted a hearing on 2 May 2022 for councils and individuals seeking to make oral submissions to the Tribunal.
27. The Tribunal received eight submissions from the following councils and individuals:

Council / Individual	Type of submission	Summary of Issues raised
Coorong District Council	Council	<ul style="list-style-type: none"> Data and information provided in relation to review criteria Regional / remote locality issues
Adelaide Hills Council	Council	<ul style="list-style-type: none"> Data and information provided in relation to review criteria Indexation should be 3 to 4 years to align with local government members
Tim Jackson, Administrator, Coober Pedy Council	Individual	<ul style="list-style-type: none"> Remote locality issues Attraction and retention issues
District Council of Kimba	Council	<ul style="list-style-type: none"> Data and information provided in relation to review criteria Issues specific to smaller councils Remote locality issues, such as remote housing consideration Indexation should be ABS Wage Price Index over 4 years
City of Norwood, Payneham & St Peters Council	Council	<ul style="list-style-type: none"> Data and information provided in relation to review criteria
Port Adelaide Enfield Council	CEO	<ul style="list-style-type: none"> Data and information provided in relation to review criteria Key result areas for CEO provided. 4 yearly cycle for reviews is reasonable
City of Tea Tree Gully Council	Council	<ul style="list-style-type: none"> Data and information provided in relation to review criteria 4 yearly cycle should include a CPI increase similar to local government members
Whyalla Council	Council	<ul style="list-style-type: none"> Data and information provided in relation to review criteria Attraction and retention issues Regional / remote locality issues WA model should be considered

28. This represents a small proportion of the councils and CEOs that were given the opportunity to make submissions.
29. While the submissions generally provided information about the characteristics of these councils against the guidelines provided by the Tribunal, the information provided did not assist the Tribunal to determine a coherent and sustainable approach to establishing minimum and maximum levels of remuneration.
30. The Tribunal noted information provided by the City of Port Adelaide Enfield's CEO. This information provided a useful summary of the role of the CEO, covering oversight of the diverse assets and effective service delivery to a demographically diverse community together with engagement with the local and broader communities, and the development of that council area. This submission incorporated consideration of unique geographic, demographic, social, historical characteristics of that council.
31. The Tribunal also noted the City of Norwood, Payneham and St Peters advice that CEO experience, performance reviews and annual remuneration reviews are pertinent issues when councils are considering CEO remuneration.

32. Additionally, the Tribunal noted submissions made by primarily regional councils that they expected their CEOs to be more operationally focussed because of fewer middle management levels within the organisation.
33. The regional council submissions also noted greater distance and travel commitments and challenges associated with staffing. Some councils argued strongly in favour of attraction and retention payments. The Tribunal particularly noted difficulties experienced by the Coober Pedy Council in attracting and retaining CEOs.
34. The Tribunal noted that councils have unique requirements of their CEOs and require flexibility to negotiate remuneration arrangements to best meet these needs. For example, some councils may require a strategic leader to lead a complex organisation, while a small council may prefer a leader with exceptional technical expertise.
35. The Tribunal was unable to identify any objective or standard approach to setting remuneration levels between councils.
36. On 15 September 2022, the Tribunal provided an update to the LGA that it had obtained information from all councils and had spent some time assessing the data. The Tribunal's capacity to reach accurate conclusions about the remuneration arrangements was severely limited by quite disparate approaches to different components of remuneration recorded by councils and their CEOs. This was exemplified in differing approaches to recording superannuation arrangements, including defined benefit superannuation arrangements and to motor vehicle costings which varied substantially. The Tribunal suggested it might engage an external professional consultancy to assist in this process.
37. The LGA provided a response on 11 October 2022 in which it expressed concern about the costs of an external consultancy. The LGA suggested the Tribunal contact CEOs with questions of clarification designed to fill in any gaps in the data already available, rather than undertaking the survey process anew, advising this would reduce the costs associated with the review.
38. On 29 November 2022, the Tribunal advised the LGA that the remuneration data it had was problematic in that the information provided by councils reflected very different approaches to calculating current significant elements of total remuneration and hence would result in a flawed and inconsistent assessment of maximum and minimum remuneration levels. The Tribunal also advised of its intention to conduct a further survey of CEO salary levels, requiring councils to provide costing instructions consistent with normal salary and accounting practices. Consistent with the request of the LGA, and to reduce the cost imposts on councils, the Tribunal agreed to conduct the further survey 'in house' using its own resources.
39. Prior to distributing the updated survey to all CEOs, the Tribunal tested the revised survey approach on a small number of CEOs to identify any issues that councils may have with it. The LGA nominated four CEOs for this purpose.
40. Following the conclusion of this trial process, the revised survey was sent to all CEOs on 16 December 2022. CEOs were requested to complete the survey by 25 January 2023.
41. All survey responses were ultimately received by 7 March 2023 but inaccuracies and incomplete information required further consultation with councils to clarify the information provided. In a small number of instances, particularly relating to vehicle costing approaches, the Tribunal has had to make an estimate of total costs, including Fringe Benefits Tax implications.

CONSIDERATION

42. The Tribunal's jurisdiction in relation to local government CEOs is confined to making determinations, from time to time, in relation to the minimum and maximum levels of remuneration only.
43. The Tribunal notes that individual councils can determine, within those minimum and maximum remuneration levels, the specific amount of remuneration to be paid to their CEO, as well as the various components of the remuneration package, such as superannuation, motor vehicles, allowances or other non-monetary benefits, provided that these total remuneration arrangements fall within the minimum and maximum amounts set by the Tribunal.
44. In determining what constitutes remuneration, the Tribunal has taken into account the following components:
 - Monetary remuneration
 - Superannuation, including the statutory minimum employer contributions, any salary sacrifice component and any additional payments made by a council
 - Annual leave loading
 - Additional leave entitlements
 - Bonuses and performance incentives - in cash or otherwise
 - The private benefit value of any motor vehicle and/or equipment (excluding mobile telephones and portable computing equipment provided to the CEO by the council)
 - School or childcare fees, including school uniforms
 - Newspaper/magazine/online subscriptions
 - Personal travel or any other benefit taken in lieu of salary by the CEO (and immediate family at the discretion of the council)
 - Health insurance
 - Any and all allowances
 - Any other form of payment - cash or otherwise
 - Any Fringe Benefits Tax paid by council in respect of any of the above
45. The Tribunal concluded that mobile telephones and portable computing equipment provided to CEOs, fundamentally for work purposes, but which may be used for reasonable personal use, should not be regarded as remuneration for these purposes. The Tribunal considers that these items are inherent requirements for a CEO function and, in any event, any additional reasonable use represents a minimal additional cost such that separating personal and business use involves unreasonable administrative costs.
46. The Tribunal has not included professional development costs that directly relate to the performance of CEO duties and membership of professional associations related to the performance of CEO functions in its assessment of remuneration.
47. The Tribunal has not included one-off payments that relate directly and solely to relocation expenses in its consideration of remuneration.

(a) Motor Vehicles

48. The December 2022 survey required councils to include the annual amount of the personal benefit value of the provision of a motor vehicle for private use or cash in lieu of a motor vehicle. The personal benefit value was to be determined by multiplying the percentage of personal use of the vehicle, by the annual cost to the council for that vehicle, including all annual costs of maintenance, fuel, taxes, registration, running costs, as well as an annual depreciation.

Depreciation was to be calculated using the rate of 12.5% (prime cost method) or 25% (diminishing value method).

49. There were significant variations in motor vehicle arrangements amongst councils, reflecting different costing approaches, obvious differences in motor vehicles, the extent to which motor vehicle use was for business purposes and Fringe Benefits Tax recognition.
50. The Tribunal has concluded that a sustainable basis for some of these estimates has not been established and urges councils to review their costing methodologies. The Tribunal suggests the application of a consistent approach to motor vehicle costing arrangements for the future based on actual annual cost of provision of any motor vehicle provided by the council, less an assessed component for business use. The methodology outlined above is proposed as an appropriate approach for the future.
51. To assist the Tribunal in setting minimum and maximum levels of remuneration, for the purpose of this review, it has built an assumption into the data obtained for motor vehicles. Where the value of the motor vehicle and Fringe Benefits Tax was below \$20,000, the Tribunal added the difference to the total package of remuneration (i.e. if the council provided a value of \$15,000 for the motor vehicle and Fringe Benefits Tax, then the Tribunal has added \$5,000 to the total package of remuneration). Where a Council has not provided Fringe Benefits Tax information, the Tribunal has estimated that value and incorporated that estimate into its assessment of total remuneration. For clarity, this does not propose an actual increase in the remuneration payable to those CEOs, but rather, ensures a more consistent and realistic approach to the valuation of vehicles.
52. To the extent that councils negotiate new contractual arrangements, it is appropriate that motor vehicle costs that relate to all private use are separately recognised as remuneration components.

(b) Additional leave per year

53. Councils were requested to provide any additional leave entitlements that CEOs receive beyond the standard four week entitlement and to confirm if that additional leave was “purchased” through a salary deduction or whether it was simply an added employment benefit.
54. The total remuneration package of CEOs for the purpose of assessing minimum and maximum remuneration was then adjusted to take into account the monetary value of any additional leave entitlements.

(c) Superannuation

55. The Tribunal noted that some CEOs are members of defined benefit funds but access to these superannuation arrangements is not available to more recent appointees. The Tribunal has also recognised that some CEOs contribute extra payments to these defined benefit funds. The difficulties associated with comparing defined benefit funds with accumulation funds are significant. For the purposes of this assessment, the Tribunal has universally recognised the minimum Superannuation Guarantee legislative provisions, and any explicit amounts paid by councils in excess of these national minimum standards irrespective of whether a defined benefit scheme is in operation.

(d) Allowances

56. As discussed above, the Tribunal has considered any and all allowances to form part of remuneration. This includes any housing allowance, remote allowance, attraction or retention allowance, utilities allowance or reimbursement or direct payment, grooming or clothing allowance and any entertainment related allowances or entitlements.
57. The Tribunal recognises that the characteristics of some councils means they may place more significance on some allowances. For example, an additional remuneration element in the form of an allowance may need to be agreed between a council and its CEO to recognise either distance or remoteness issues.
58. The Tribunal has adopted the position that the Coober Pedy Council should be recognised as facing particular recruitment challenges given the combination of its remoteness and unique characteristics.
59. Whilst the current minimum and maximum amounts set for each remuneration level take into account all allowances, the Tribunal urges councils to notify it of any substantial issues or adjustments that may need to be made or taken into account in the next review.

(e) Fringe Benefits Taxes

60. The minimum and maximum remuneration amounts have been set on the basis that councils will recognise any applicable Fringe Benefits Tax in the total remuneration costing for CEOs.

(f) The Municipal Council of Roxby Downs

61. The Tribunal has noted the unique position of the Municipal Council of Roxby Downs. This reflects the indenture agreement applicable to that area and the unique funding arrangements that apply. Accordingly, the Tribunal has not included this council in this review.

REMUNERATION LEVELS

(a) Other Jurisdictions

62. In the conduct of this review, the Tribunal considered available information relating to local government CEO remuneration in other Australian jurisdictions.
63. The April 2023 determination of the Western Australian Salaries and Allowances Tribunal reviewed remuneration bands for local government CEOs and allowances for certain elected members. In that determination, a four-band structure was adopted with total reward package bands ranging from \$136,023 to \$404,488 per annum. In addition, maximum separate isolation allowance amounts for nominated councils were identified, taking into account the remoteness, cost of living, social disadvantage, the impact of a dominant industry, attraction and retention issues and community expectations. The quantum of these maximum payments depended on the assessed circumstances of the local council concerned. The determination provided for a discretionary housing allowance where there was a lack of suitable housing, or recruitment issues. The determination considered the private benefit value of motor vehicles provided to CEOs for reporting purposes.
64. Information relative to other States and Territories is not uniformly published, thereby limiting the usefulness of any comparative analysis, and there is no regulatory arrangement equivalent to the Western Australia Salaries and Allowances Tribunal.

65. The Tribunal has historically applied a six-level grouping system for the consideration of allowances applicable to members of councils. In its 2022 Report, the Tribunal expressed reservations about the usefulness of this arrangement and has indicated that it proposes to invite submissions about a review of that arrangement in 2026.² Notwithstanding these observations, the Tribunal has considered the extent to which the current groupings could provide a basis for the determination of minimum and maximum remuneration levels. There are significant impediments to such an approach. Firstly, the characteristics of councils within the established groups that may be particularly relevant to CEOs vary substantially within and between the groups such that use of the groups for this purpose appears illogical. Secondly, the Tribunal considers that exclusive reliance on factors such as overall staff numbers does not equate to a measure of CEO skill requirements.
66. The Tribunal has taken into account national salary surveys of the local government sector. Because of the substantial range between low and high remuneration levels, and uncertainties about just how employment benefits are assessed, this information is of limited value in setting minimum and maximum levels in South Australia, consistent with the legislative requirements. It has, however, confirmed that the CEO remuneration levels are generally consistent with the indicative survey data.

(b) Minimum and maximum remuneration levels in South Australia

67. The Tribunal's preference is to progress toward establishing minimum and maximum remuneration levels founded on an assessment of skill and competence levels. Such an approach would allow the flexibility to set remuneration consistent with the challenges confronting a given council. However, the limited information available to the Tribunal, combined with the very small number of submissions, simply does not support such an approach at this time. Councils are encouraged to make submissions about such an approach in the future.
68. The Tribunal is not in a position to determine the minimum and maximum remuneration levels based on factors such as the geographical size of the council, revenue of the council and other factors as listed in paragraph 18 above. It considers these factors to be sensible criterion to guide any future determinations of the Tribunal, however, under the current legislation such an approach requires the cooperation of councils.
69. For this inaugural review, the Tribunal has determined to group councils into eight bands. While these bands have some generally common characteristics, the Tribunal recognises differences and potential anomalies in terms of council characteristics within and between some of these bands. Each band is based on the data provided by councils in relation to the total remuneration package of their CEO. The Tribunal has then applied assumptions in relation to the value of the provision of a motor vehicle and any additional leave entitlements beyond that of usual administrative staff. This has resulted in a figure described as an "adjusted total remuneration package" for each CEO who is covered by this review.
70. With the exception of the band consisting of the City of West Torrens, City of Charles Sturt and City of Port Adelaide Enfield, the bandwidths range from \$17,680 to \$32,240. This group of three councils has a much smaller bandwidth because its total remuneration amounts are significantly higher than most other metropolitan councils. The Tribunal was cognisant of the fact that remuneration discrepancies between councils meant that clearly definable criterion

² South Australian Remuneration Tribunal, *Report of the Remuneration Tribunal: 2022 Allowances for Members of Local Government Councils, Report 2 of 2022*, p.9 [<https://www.remtribunal.sa.gov.au/documents/2022/20220705-Report-2-of-2022-Members-of-Local-Government.pdf>]

such as that listed in paragraph 18 could not be used to define bands without resulting in very large band remuneration diversity inconsistent with the function of the legislation.

71. The Tribunal has determined that the Adelaide City Council should be separated from councils generally for the purpose of considering CEO remuneration. This recognises that separate legislation covers that council. As no submission was received from the Adelaide City Council in relation to this review, the Tribunal's consideration is entirely based on the current total remuneration for the Adelaide City Council CEO.
72. The Tribunal has differentiated between the City of West Torrens, City of Charles Sturt and City of Port Adelaide Enfield and other significant metropolitan councils. This distinction is entirely based on current remuneration arrangements which differ substantially from other significant metropolitan councils and large provincial centres.
73. A further group of metropolitan, near metropolitan councils and larger regional councils have been grouped together. The Tribunal has placed the Corporation of the Town of Walkerville in this group but notes that the characteristics of that Corporation are fundamentally different from all other metropolitan councils. Finally, the Tribunal has established two groupings of regional councils, largely distinguished by population characteristics.
74. While the approach the Tribunal has taken in this review restricts the extent to which exceptional circumstances of a particular council can be properly recognised and provides limited explanation of the basis for existing remuneration levels to the community, this reflects the disparate current remuneration levels and lack of information about how these were arrived at. A more accurate assessment of remuneration bands based on council characteristics and performance measures is not possible on the information made available to the Tribunal. The Tribunal suggests that it may be appropriate for discussions with the LGA in advance of the next review to identify minimum and maximum remuneration levels based on agreed council criteria, with the potential for separate recognition of attraction incentives and defined performance measures.
75. The Tribunal considers that wage price movements should be recognised within the framework of minimum and maximum remuneration levels, particularly given the time period that has lapsed between the commencement of the inaugural review and the operative date of the Determination.
76. The Tribunal has considered the wage movements and current rate of inflation and has factored these into the minimum and maximum amounts of remuneration but notes that the increase applied is substantially less than CPI.
77. Any decision in relation to an annual increase for CEO remuneration within the bands set by the Tribunal remains a matter for each council in accordance with section 99A(1) of the LG Act.
78. Furthermore, in accordance with section 147(5) of the *Statutes Amendment (Local Government Review) Act 2021* (SA), if the current remuneration level for a CEO is below the minimum band level set by the Tribunal, this may be increased to within the band limits at the discretion of the council. Conversely, if the remuneration level for a CEO is above the band level maximum, the Tribunal would expect no further increase in remuneration during the term of that appointment unless the remuneration level was to fall below the maximum remuneration level following any annual adjustments established by the Tribunal.

FREQUENCY OF REVIEWS


79. The Tribunal proposes to progress toward a review of the minimum and maximum remuneration of CEOs on a four yearly basis that is commensurate with the timeframe for local government member allowances. However, because this is the first review of this nature and it is based on data that is conflicting and inconsistent, it is acknowledged that councils may need to refer specific instances to the Tribunal for consideration. The Tribunal will review the minimum and maximum remuneration levels in July 2024 to take account of any feedback from councils or CEOs and wage and cost of living adjustments. The Tribunal expects any council who, as part of any future review, identifies significant differences in the remuneration package to provide sufficient detail and reasons as to why this is the case.

OPERATIVE DATE

80. The accompanying Determination will come into operation on and from 1 July 2023.



Matthew O'Callaghan
PRESIDENT



Deborah Black
MEMBER



Peter de Cure AM
MEMBER

Dated this 16th day of June 2023