

Lobbying for Gain: Passing Through Australia's Revolving Door

By <u>Dr. Binoy Kampmark</u> Asia-Pacific Research, February 15, 2021 Region: Oceania Theme: Politics

Governments have an almost crippling trouble appreciating conflicts of interest. Since tentacle-heavy lobby groups decided to move into the world's capitals to make the case for their clients, the revolving door has become the sickening feature of politics. Former bureaucrats, public service officials and elected representatives find few problems with joining the very lobby groups that once pressured them to change policy. This seamless movement of sewerage makes accountable governance a hag and transparency a bedbound dream.

The indifference shown by political wonks and private sector lobbyists to this practice is reflected in an abundant literature that is enchanted by it. Be it in organisational or management studies, you are bound to find work that even approves of the phenomenon, suggesting that people with abundant skills and contacts obtained while serving their country should be made use of on leaving their positions. The significance here lies in the benefits that accrue to those in the market place (the lobbyists and companies) rather than the political needs of transparency and accountability. A co-authored article in *Managerial Finance* from 2015 is almost prosaic in observing over the sample period of study that "firms which hire former politicians as directors or executives have significantly positive long-term abnormal returns". Hardly earth shattering.

In Australia, the greased revolving door is swift to giddying effect. In critical industries, those formerly in government and public office make their slime strewn way into the corporate sector while still retaining compromising links. In 2019, a <u>study</u> published in *Public Health and Research Practice* examined the background of 569 individuals whose names are on the federal lobbyist register. The authors of the study were keen to examine the lobbying effect of companies in the alcohol, food and gambling industries. As they rightly point out, "the development of public health policy often runs counter to the interests of" such companies. To undermine the making of such policy is an essential feature of their revolving door strategy, an effort to capture the regulatory field.

Of those surveyed, 197 had declared to have previously worked within government. In this happy tribal collective were found 122 former representatives of government: 18% had been members of parliament or senators; 47% had held positions as chiefs of staff or senior advisors. The authors conducted 15 key informant interviews which found the inevitable effect of such influence. "Interviewees stated that they believed the revolving door created an imbalance between industry and public health advocates in terms of their access, advocacy and influence with government."

Things are not much better in the defence and security industries, pockmarked as they are by appointments with a direct line to government officials. In recent years, the examples have multiplied. Dr Tony Lindsay, one of the country's most notable defence scientists, farewelled his role as Chief of National Security Intelligence, Surveillance and Reconnaissance Division in Defence, Science and Technology on October 28, 2016 only to take up an appointment, a few days later, with Lockheed Martin.

The multi-billion dollar contractor is more than knee-deep with the Defence Department, having <u>signed partnership agreements</u> and running a scheme of <u>industry placements</u> for DST staff. Lindsay's Lockheed move was to take up the position of Director of the then <u>newly established</u> STELaRLab, the company's first R&D lab outside the United States.

Michelle Fahy of Michael West Media <u>remarked</u> at the time that the decision was "a good example of how the revolving door between the public sector and military-related private industry in Australia is being facilitated by both sides." Justifications to keeping such a process opaque follow a predictable copybook: journalists and the public should be kept in blissful ignorance for reasons of "national security" and "commercial in confidence" restrictions.

Another tactic of obfuscation lies in the world semantics. Avoid using such terms as "lobbying", which emits an unnecessary pungency. Focus, instead, on such platitudinous terms as "strategic adviser" and the giving of "strategic advice". This was particularly evident in justifying the role of former defence minister **Christopher Pyne**, who even went so far as to <u>commence discussions</u> with Ernst and Young Defence while still in the ministerial portfolio. Within nine days of leaving politics, he was hired as a consultant and careful with his words. "I'm looking forward to providing strategic advice to EY," <u>he told</u> *The Australian*, "as the firm looks to expand its footprint in the defence industry."

The most recent and startling instance of this is the case of **Nick Warner**, who completed his term as the first Director-General of the Office of National Intelligence last December. He has also served as Director-General of the Australian Secret Intelligence Service (ASIS) and secretary of the Department of Defence. His resume also has the lacing of various overseas roles: ambassador to Iran, high commissioner to Papua New Guinea, and special coordinator of the Regional Assistance Mission to Solomon Islands.

Without so much as a murmur, Warner was retained by the Melbourne-based advisory firm Dragoman as a counsellor. The company's appetite is considerable and global, having <u>previously included</u> developing "a government strategy for an Australian provider of project and asset management services in the energy, chemicals and resources sectors." The company is not shy in emphasising the "alignment with Australia's national interest."

Dragoman's managing director and only publicly declared lobbyist is former Liberal Party vice-president **Tom Harley**; its chairman of counsellors is former defence minister **Robert Hill.** Other counsellors, for good measure, <u>include</u> **Ambassador Thomas Shannon**, former Under Secretary of State for Political Affairs of the US State Department and **Malcolm Rifkind**, former British foreign minister and minister for defence.

Warner's new role at Dragoman is not all that piques the interest. The Canberra security and intelligence veteran, as <u>revealed</u> by the ABC, began being remunerated for consultancy services for the Department of Prime Minister and Cabinet (PM&C) in January this year. Questions posed by the national broadcaster to Harley, Warner and Dragoman on potential conflicts of interests have been treated with icy silence.

Federal Labor MP **Julian Hill**, deputy chair of Parliament's Joint Committee of Public Accounts and Audit, is also querying Warner's engagement. "The Prime Minister's got some serious questions to answer about this whole arrangement." It was not clear what work Warner was engaged in "and how and if conflicts of interest are being managed". A man with "access to the most privileged secrets of Australia, more than most ministers would ever get" had concluded his tenure in the public sector, only to now work for "a lobbying firm whilst separately contracted by the Prime Minister." Perhaps Warner, in his wisdom, is merely providing well thought out, strategic advice.

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