

Too close for comfort

How the coal and gas industry get their way in Queensland.

Research Paper
October 2015

Graham Readfearn

About The Australia Institute

The Australia Institute is an independent public policy think tank based in Canberra. It is funded by donations from philanthropic trusts, individuals and commissioned research. Since its launch in 1994, the Institute has carried out highly influential research on a broad range of economic, social and environmental issues.

Our philosophy

As we begin the 21st century, new dilemmas confront our society and our planet. Unprecedented levels of consumption co-exist with extreme poverty. Through new technology we are more connected than we have ever been, yet civic engagement is declining. Environmental neglect continues despite heightened ecological awareness. A better balance is urgently needed.

The Australia Institute's directors, staff and supporters represent a broad range of views and priorities. What unites us is a belief that through a combination of research and creativity we can promote new solutions and ways of thinking.

Our purpose—'Research that matters'

The Institute aims to foster informed debate about our culture, our economy and our environment and bring greater accountability to the democratic process. Our goal is to gather, interpret and communicate evidence in order to both diagnose the problems we face and propose new solutions to tackle them.

The Institute is wholly independent and not affiliated with any other organisation. As an Approved Research Institute, donations to our Research Fund are tax deductible for the donor. Donations can be made via our website at <https://www.tai.org.au> or by calling the Institute on 02 6130 0530. Our secure and user-friendly website allows donors to make either one-off or regular monthly donations and we encourage everyone who can to donate in this way as it assists our research in the most significant manner.

Level 5, City Walk Centre
131 City Walk
Canberra City, ACT 2601
Tel +61 2 6130 0530
Email: mail@tai.org.au
Website: www.tai.org.au

Foreword

Almost exactly one year ago The Australia Institute began working with community and legal groups on accountability and governance issues in Queensland. The impetus for this work was a deep sense of concern over Newman Government policies which worked against the independence of key institutions and reduced the transparency of decisions that concerned the public interest.

Over several years a sense had developed that the influence of lobbyists and political donations was growing. Of particular concern to the Institute were decisions around mining and fossil fuel developments such as the approval of the New Acland coal mine extension and changes to sand mining on Stradbroke Island. Both followed political donations and very close relations between companies, government members and senior public service officials. We and our partner organisations felt these relationships had become ‘too close for comfort’.

The importance of impartiality and accountability in management over the state’s resources is hard to overstate. Mining licenses represent among the largest transfer of assets from public to private hands. Mining companies stand to gain hundreds of millions of dollars from decisions to approve mines and gas fields, but there are also many negative economic impacts on non-mining industries, and the impacts on communities and the environment can be devastating.

As the 2015 Queensland election drew near, more groups and prominent individuals got involved, including former NSW Independent Commissioner Against Corruption, David Ipp, Former Queensland Integrity Commissioners, David Solomon and Gary Crooke, and legendary Queensland corruption fighter, Tony Fitzgerald. While many factors decided the outcome of the historic election, this push for accountability was one of them; no less an authority than Courier Mail columnist, Des Houghton, said so.¹ Independent polling confirmed Houghton’s view. 87% of Queenslanders said accountability issues played a role in deciding their vote in only the second January election held in Australia since Federation.

Queensland’s Labor party capitalised on voters’ desire for accountability and transparent government. They endorsed Fitzgerald’s published Principles of Good Government and committed to a public inquiry by the Crime and Conduct Commission inquiry into links between donations to political parties and the awarding of tenders, contracts and approvals.

Six months later Queenslanders are still waiting for this inquiry. And while we wait more examples emerge of the too-close relationships between the fossil fuel industry and decision makers. A lobbyist for coal hopefuls Adani and GVK is now chief of staff for Federal ALP leader Bill Shorten. LNP Senator James McGrath undertook contract work for Santos between being elected and taking his seat in the Senate.

This report is, as far as we know, the first to look deeply at a single jurisdiction, in this case Queensland, and attempt to rigorously compile a profile of the relationship between fossil fuel companies and governments and political parties, their interactions and their influence.

The results are startling. Compiled together in this manner, individual incidents that might otherwise appear minor, become part of a systemic web of access and influence for fossil fuel companies. The larger view revealed is that of special advantages and pervasive pressure which casts long shadows across our democracy.

¹ <http://www.couriermail.com.au/news/queensland-state-election-2015/opinion-how-queenslands-voters-got-it-wrong/story-fnrab879-1227210973340>

In short, the findings of this report present a compelling case for a far broader public inquiry than that currently proposed by the Queensland Government. Such an Inquiry should stretch well beyond political donations and investigate the role of lobbyists on relevant decision-making processes and the impacts of the 'revolving door' between mining interests and public offices. Every month that goes past without this inquiry sees some relationships grow closer and makes the new government's promise of more accountability seem like nothing more than cold comfort.

The research and final editing for this report was conducted over a long period. Please note that positions and roles may have changed during this process.

Mark Ogge,

Principal Advisor, The Australia Institute

and

Rod Campbell

Research Director, The Australia Institute

Summary

While coal represents the largest export of the state and [coal licences] represent a transfer of assets worth tens or hundreds of millions of dollars from the state to private hands, the arrangements for the release of the resource and allocation of [coal licences] are lacking many basic principles of good governance.²

This quote comes from the New South Wales Independent Commission Against Corruption (ICAC), but it is equally applicable to Queensland where the institutions that determine resource extraction are equally problematic.

Given that resource licenses represent large transfers of assets from public to private hands, the highest standards of accountability and transparency must apply to the government officials involved in the transfer.

In Queensland this accountability and transparency is sorely lacking. Industry lobbyists and business figures are able pay for special access to senior members of both political parties in what former Queensland Integrity Commissioner Gary Crooke QC has described as “bipartisan ethical bankruptcy”³. Most lobbyists are not even included in the state’s lobbying register and there is virtually no transparency surrounding lobbying activities.

According to the Queensland lobbyist register, there are 320 individual lobbyists, who work for 160 lobbying firms, which represent 1,700 companies in Queensland.

However, the official register is just the tip of the lobbying iceberg, as it consists of only “third-party” lobbyists from external lobbying firms. “In-house” lobbyists, who are directly employed by the firms they lobby for are not required to register.

Nor are industry peak bodies such as the Queensland Resources Council and the Australian Petroleum Production and Exploration Association (APPEA). These groups are not registered as lobbyists and so the public knows little detail about their engagement with government and public officials.

A 2012 Federal Senate inquiry estimated that Canberra had four unregistered in-house lobbyists for every registered lobbyist. Queensland may have similar numbers, but there is no known estimate. Fossil fuel companies also regularly send their own senior executives to personally meet with politicians and public servants.

With so much at stake, the greatest efforts should be taken to guard the independence of the government officials responsible for assessing and regulating mining projects, to ensure a clear boundary between the public service and the industry it regulates.

Rather than a clear boundary, there is a revolving door between the public service and the resource industry, with senior public servants and political advisors moving straight to highly paid positions in the industries they have been responsible for regulating, and sometimes back again.

Many public servants and political staffers have left their posts to lobby for the fossil fuel industry. An example is David Moore, who worked for Campbell Newman and later was Chief

² Independent Commission Against Corruption 2013, Reducing the Opportunities and Incentives for Corruption in the State’s Management of Coal Resources.

³ Crooke, G, January 2015, QLD election: Bipartisan ethical Bankruptcy. ABC, The Drum

of Staff to Deputy Premier Jeff Seeney. Moore then moved to lobby for several coal industry clients, such as Indian firm GVK, which is trying to develop mines in Queensland's Galilee Basin. When GVK struck difficulties with federal approval, Moore had direct access to Seeney's new Chief of Staff, Jeff Popp, as shown in the email below, released under Right-to-Information (RTI):

Email between lobbyist David Moore and government staffer Jeff Popp

From: David Moore <david@thenextlevel.net.au>
Sent: Tuesday, 5 June 2012 4:58 PM
To: Jeff Popp
Cc: Paul Leven
Subject: Fwd: URGENT DRAFT International Media Statement
Attachments: 120605 URGENT DRAFT International Media Statement.docx

73(2) Not relevant - Out of scope partial refusal

Mate, here is the release GVK are intending to put out shortly to deal with the Indian media. I think its fine and will defer to them about how to write releases for Indian consumption. i will give you a call shortly, but let me know if there are any pressing issues as they want to hit send.
 cheers

David Moore
 The Next Level Consulting Services

Source: RTI release

The gas industry has also recruited many public servants and political staffers, as well as sending its staff into senior public positions. An example is former ABC journalist Mitch Grayson. In October 2012, Grayson left his role as a senior media advisor to Premier Newman to work as a senior media and communications advisor for the \$15 billion Santos GLNG project. A little over a year later, Grayson left Santos to take a media advisory role back in the Premier's office.

ICAC has made clear that it is important not only to know who is lobbying whom, but what they are lobbying about:

*Those who lobby may be entitled to private communications with the people that they lobby, but they are not entitled to secret communications. The public is entitled to know that lobbying is occurring, to ascertain who is involved, and, in the absence of any overriding public interest against disclosure, to know what occurred during the Lobbying Activity.*⁴

Such details are rare in Queensland. Even the minimal disclosures provided in ministerial diaries have been avoided by meeting lobbyists at social or sporting events.

In-person lobbying of decision makers by the fossil fuel industry takes place in a range of settings. The Queensland government has often hosted events for industry executives in corporate boxes at sporting events. Former ALP mining minister Stephen Robertson hosted a particularly large function with representatives from Rio Tinto, BHP Billiton, Origin, Santos, Anglo Coal, QGC, Waratah Coal, other companies plus the Queensland Resources Council and departmental staff.

⁴ Independent Commission Against Corruption, November 2010, Investigation into Corruption Risks Involved in Lobbying, p 7.

The hospitality goes the other way too. In 2012 New Hope Coal hosted key ministers in its corporate box at the time the company was lobbying to expand its controversial New Acland coal mine, a project that Premier Newman had declared “inappropriate” before coming to office. The mine’s parent company, Washington H Soul Pattinson, donated \$950,000 to the Liberal party in the four years from 2010/11.

Corporate and government hospitality is not confined to sporting venues. Brisbane’s best restaurants also regularly host meetings with coal company executives. Documents obtained under RTI laws show the hospitality expenses logged by David Edwards, the Director-General of the Department of State Development, Infrastructure and Planning. Edwards has regularly dined with coal company executives from Adani and GVK, with taxpayers often picking up the bill. Perhaps more concerning than Edward’s generosity is that he justifies it as being “of benefit to Queensland because it enhances the Department’s ability to assist Adani to move to the next stages of development of its major project”:

Expense claims dining with Adani executives



DECLARATION OF GIFTS MADE

Register no (Finance use only) _____

Please select the relevant department

Department of State Development, Infrastructure and Planning
 Department of Local Government, Community Recovery and Resilience

Details of Gift Made (including hospitality and other intangible benefits)	
Name of gift recipient <small>Name of person and position</small>	Samir Vora, Chief Operating Officer and Jeyakumar Janakara, CEO
Employer	Adani Mining Pty Ltd
Gift made by <small>Name of person and position</small>	David Edwards, Director-General
Reason for issue	Meet the new CEO of Adani Mining Pty Ltd and brief him on key issues
Description of gift <small>(including the location, if hospitality)</small>	Dinner at Pony, Eagle Street Pier Brisbane
Total value of gift – GST inclusive	\$228.26
Date gift made	17 September 2013
Important: A certified declaration and supporting documentation to be provided within 21 days.	
Giving this gift is of benefit to Queensland because *	It enhances the Departments ability to assist Adani to move to the next stages of development of its major project

Source: RTI documents

Edwards was possibly more generous with another Galilee Basin aspirant, GVK. Edwards gave a \$500 tennis racquet to GVK’s billionaire founder, Dr GVK Reddy:

Gifts to GVK

Gifts Given								
Date gift made	Description of gift or benefit	Fair Market Value (AUD)	Name of donor	Donor organisation	Name of recipient(s) Surname, then first name	Recipient's employer	Reason providing gift is of benefit to the Queensland community	Approver name
11/02/2013	Framed and personally signed tennis racquet	\$ 500.00	Edwards, David	DSDIP	Dr GVK Reddy	GVK	As a courtesy and in appreciation for meeting introductions and arrangements made whilst travelling in India, along with developing and maintaining working relationships between GVK and the Queensland Government	Cassidy, Colin
12/02/2013	Large framed Indigenous print	\$ 19.36	Edwards, David	DSDIP	Dongre, Ashish	GVK	As a courtesy and in appreciation for meeting introductions and arrangements made whilst travelling in India, along with developing and maintaining working relationships between GVK and the Queensland Government	Cassidy, Colin

Source: Department of State Development, Infrastructure and Planning, Gifts and benefits register

In 2011, Australia's richest person, Gina Rinehart, was in the final stages of negotiating the sale of her coal assets to India's GVK. Ms Rinehart flew Barnaby Joyce (then a Queensland senator), Julie Bishop and the Liberal MP for Brisbane, Teresa Gambaro, to India, to attend the wedding of a family member of GVK's owner.

Most industry lobbyists don't fly politicians to overseas weddings. Less spectacular lobbying more often involves paying to attend functions with politicians in attendance. Prior to the March 2012 state election, the LNP introduced QForum — a secretive subscription-based scheme where corporations were invited to events with the promise of access to ministers. In the run-up to the 2015 state election, it emerged that Labor had also launched its own version of QForum — known as the Queensland Progressive Business Network — that would charge up to \$10,000 a year for access to events that would include "one-on-one" meetings with MPs and "engage with the party leadership".

If the Great Barrier Reef was a business — rather than an iconic wonder of the natural world — it would lobby furiously against the extraction and burning of fossil fuels, because this is against its long term interests. Rather than lobbyists, however, the Reef is represented by the Great Barrier Reef Marine Park Authority (GBRMPA), a government authority charged with managing the marine park. Members of the GBRMPA board have faced repeated allegations of conflict of interest due to their positions with and investments in coal and coal seam gas companies.

Queensland's Planning department has also come under fire for rushing approvals of major coal seam gas developments without proper assessment. Rather than insisting on detailed mapping of the project, the Department urged approval of Santos's \$16 billion gas project, determined that a key report would "provide a bankable outcome."

Throughout all these episodes there is scant attention paid to communities who are affected by the projects in question. While Queensland politicians and officials provide special access

to the fossil fuel industry, they are reluctant to provide any access to people concerned about climate change or water resources. As former Queensland Integrity Commissioner Gary Crooke put it in January 2015⁵ in relation to the “payment for access” fundraising events indulged in by both major parties:

Take the example of a controversial property or mining development. What is the perception of a reasonable person if the well-resourced applicant pays to sup with the decision maker while the objector is not only not invited, but cannot afford the tariff imposed? What is on offer? As former minister, and now prisoner, Gordon Nuttall now famously said at his trial: "Nothing is for nothing."

The cosy relationship between the senior government representatives in Queensland and the resource industry is at odds with the fundamental principle that all interested parties are treated equally in the decision-making process. It also undermines the ability of Queenslanders to negotiate the best deal for the one-off exploitation of their non-renewable resources, and the protection of the community against the negative impacts of the states ever expanding resource industry.

Introduction

“Brace yourselves,” said Geoffrey Watson SC.⁶

He was speaking at the opening of what became one of the most explosive, complex and damaging series of corruption inquiries in living memory: the 2012 investigations into the allocation of lucrative coal licences in New South Wales (NSW). Watson, counsel assisting the NSW Independent Commission Against Corruption (ICAC), wasn’t wrong in his recommendation.

The hearings have seared the names of former NSW Labor Resources Minister Ian Macdonald, along with Labor powerbroker Eddie Obeid Snr and his family, into the nation’s psyche as bywords for dodgy deals and corrupt actions. But they also revealed systemic issues with the way Australian governments handle coal licensing arrangements.

Following the hearings into Macdonald and the assignment of coal licenses, ICAC produced a follow-up report entitled *Reducing the incentives and opportunities for corruption in management of the state’s coal resources*.⁷ The report made it clear that the alleged corrupt conduct could not “simply be put down to a rogue minister for mineral resources.” Rather, the report said, the state arrangements relating to coal “provided an opportunity not found in other parts of government for individuals to engage in corrupt conduct.”

The granting of coal exploration licences represented “a transfer of assets worth tens or hundreds of millions of dollars from the state to private hands”. Yet the way the transfers were being carried out were “lacking many basic principles of good governance”, ICAC said.

⁵ Crooke 2015, Ibid

⁶ Sydney Morning Herald, *Taxpayers lost tens of millions due to corrupt scheme, investigation told*, 12 November 2012 <http://www.smh.com.au/nsw/taxpayers-lost-tens-of-millions-due-to-corrupt-scheme-investigation-told-20121111-2978v.html>

⁷ Independent Commission Against Corruption, October 2013 <http://www.icac.nsw.gov.au/media-centre/media-releases/article/4436>

Their report suggested that the “opaque and complex processes” in NSW had created an environment where there was “no other way to do business” other than to engage in lobbying — either directly or by hiring “third-party” lobbyists with sufficient inside knowledge to influence government decisions:

Appropriate lobbying can enhance the government’s decision-making by allowing those with an interest in the decision to contribute in a way that can improve the quality of information to the decision-maker. It is the Commission’s experience, however, that a lack of transparency in any process involving government decision-making can be conducive to corruption.

That corruption risk is exacerbated when secrecy of the lobbying activity itself is allied with secrecy surrounding the basis on which a decision is made.

Even though the ICAC inquiries have focused on the systems of government and accountability in New South Wales, the lessons from the commission’s investigations are clear; when government decisions are made in secret, without transparency and with poor governance, the risk of corruption increases.

Queensland is just over the border from NSW and is itself no stranger to corruption. In the 1980s, a culture of secrecy and political favours coloured Queensland’s administration. Two decades later, in 2009, former judge and Queensland anti-corruption campaigner Tony Fitzgerald lamented that these problems had returned: “Access can now be purchased, patronage is dispensed.”⁸

Another influential voice is former Queensland Integrity Commissioner David Solomon, who wrote in October 2014⁹ that the entry price for attendance at political fundraisers “depends on whether the donor can sit with and talk to a minister”. Solomon said ministers should not be able to “prostitute their ministerial office” by “selling access”, adding:

Selling access to ministers is a breach of the public trust. It is unethical and it should be illegal. The fact that some governments have changed political donation rules to make it possible for donors to keep their identities secret does not provide a justification for the practice. What it does do is confirm in the public mind the low regard they have for politicians.

But the problems in Queensland run deeper than ministerial fundraisers. Rules around political lobbyists mean that the vast bulk of lobbying is outside of regulations. While some professional lobbyists are required to sign official registers, most interactions between companies, politicians and senior public servants are off-the-record because in-house lobbyists directly employed by companies do not have to register.

Furthermore, senior public servants have close relations with executives in companies they regulate and monitor. Many public servants have jumped from government to industry and back again.

In particular, the recent expansion of Queensland’s fossil fuel industry has provided lucrative positions for public servants and political staffers who know their way around the Queensland government and planning processes. Environmental campaigner and vocal opponent of the coal seam gas (CSG) industry Drew Hutton has commented that there “seems to be an open

⁸ ABC 7.30 Report, July 2009 <http://www.abc.net.au/7.30/content/2009/s2640320.htm>

⁹ Dr David Solomon AM, Ministerial access and the public trust, October 2014
http://www.integrity.qld.gov.au/library/document/catalogue/speeches-articles/Ministerial_access_and_the%20public_trust.pdf

door between the industry and the government.” Hutton told the *Courier-Mail*¹⁰: “There is obviously a close relationship between the government and the CSG industry and there is a conflict of interest inherent in that.”

In this report we explore some of these relationships between lobbyists, politicians, public servants and the fossil fuel industry. Some stories are well known; others are being told for the first time. Each story shares a common theme: a concerning level of access for the fossil fuel industry to decision makers and administrators.

Lobbying in the Sunshine State

A lack of transparency in lobbying represents a major corruption risk. In its 2010 report “Investigation into the Corruption Risks involved in Lobbying”, the NSW Independent Commission Against Corruption ICAC said;

*A lack of transparency in the current lobbying regulatory system in NSW is a major corruption risk, and contributes significantly to public distrust. Those who lobby may be entitled to private communications with the people that they lobby, but they are not entitled to secret communications. The public is entitled to know that lobbying is occurring, to ascertain who is involved, and, in the absence of any overriding public interest against disclosure, to know what occurred during the Lobbying Activity.*¹¹

Political lobbying is big business in Australia generally and Queensland is no different. At the time of writing this report in January 2015, the federal lobby register¹² consisted of 603 lobbyists working for 270 firms representing 1,746 different clients.

According to the Queensland lobbyist register,¹³ the state is not too far behind federal levels. Some 320 individual lobbyists work for 160 lobbying firms, which represent about 1700 companies in Queensland.

But these registers include only “third-party lobbyists” – lobbyists engaged outside of the company to lobby the government on their behalf. Third-party lobbyists are often people with experience as senior political advisors or government employees who then go to work for private lobbying companies. Aside from third-party lobbyists, there are several other ways lobbying is conducted in Queensland:

- Companies can employ their own team of government relations and public affairs staff, known as “in-house” lobbyists.
- Senior management and owners of companies can directly lobby ministers and senior civil servants through formal and informal meetings.
- Companies can join industry bodies that lobby on their behalf of their members. Powerful industry bodies in Queensland include the Queensland Resources Council

¹⁰ The Courier-Mail, *State's top public servants are jumping ship to join the CSG industry they assessed*, April 2013 <http://www.couriermail.com.au/business/states-top-public-servants-are-jumping-ship-to-join-the-csg-industry-they-assessed/story-fnbdkrr9-1226609927099>

¹¹ Independent Commission Against Corruption, November 2010, *Investigation into Corruption Risks Involved in Lobbying*, p 7.

¹² Australian Government Department of the Prime Minister and Cabinet, lobbyist register, accessed January 2015 http://lobbyists.pmc.gov.au/who_register.cfm

¹³ Queensland Integrity Commissioner website, lobbyist register client list, accessed January 2015 <http://lobbyists.integrity.qld.gov.au/register-details/list-clients.aspx>

(QRC) and the Australian Petroleum Production and Exploration Association (APPEA).

There has been no known attempt to quantify the number of lobbyists in Queensland who fall outside the lobbyists register. During a March 2012 Federal Senate inquiry into lobbying¹⁴, the Department of Prime Minister and Cabinet estimated there were about 4000 “in-house” lobbyists in Canberra working directly for companies who were not covered by lobbying rules. This meant that for every third-party lobbyist required to register, there were four “in-house” lobbyists who were not required to do so.

Even third-party lobbying is difficult to follow clearly as most lobbying firms have multiple clients on their books — some as many as 30 or more. The information on the lobby registers does not state which client the lobbyist is representing in any particular meeting. For example, lobby firm Rowland¹⁵ has Dalrymple Bay Coal Terminal and fossil fuel energy company ERM Power on its client list. If a Rowland lobbyist meets with the premier, it is impossible to know if they are raising issues to do with the coal port at Dalrymple Bay or ERM’s power business.

In-house lobbyists and industry groups are even harder to track as they are exempt from registers of lobbyists in Queensland and at the federal level. Queensland’s Code of Conduct for lobbyists excludes the following lobbying activity from its provisions:¹⁶

"Lobbyist" means an entity that carries out a lobbying activity for a third party client or whose employees or contractors carry out a lobbying activity for a third party client (s 41(1)). However, "lobbyist" does not include (s 41(2)):

(a) a non-profit entity;

(b) an entity constituted to represent the interests of its members (e.g. an employer group, a trade union or a professional body such as the Queensland Law Society);

(c) members of trade delegations visiting Queensland;

(d) an entity carrying out incidental lobbying activities; or

(e) an entity carrying out a lobbying activity only for the purpose of representing the entity’s own interests.

We see that under these rules a great deal of lobbying is exempt from the code of conduct. For example, point (b) covers the lobbying activities of the QRC, the peak body representing the state’s mining and coal industries and one of the most influential lobbying forces in the state. It has a staff of around 30¹⁷ and annual revenue of \$13.6 million¹⁸, and its membership

¹⁴ Federal Senate Committee on Finance and Public Administration, Inquiry into the operation of the Lobbying Code of Conduct and the Lobbyist Register, November 2011
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Completed_inquiries/2010-13/lobbyingcode2011/index

¹⁵ Queensland Integrity Commissioner lobbyist register, accessed January 2015
<http://lobbyists.integrity.qld.gov.au/register-details/company-details.aspx?id=215>

¹⁶ Queensland Integrity Commissioner website, accessed January 2015
<http://www.integrity.qld.gov.au/page/lobbyists/code-of-conduct.shtml>

¹⁷ Queensland Resources Council, staff list, accessed January 2015
https://www.qrc.org.au/01_cms/details.asp?ID=361

¹⁸ Australian Securities and Investments Commission, QRC financial statement 2013

includes national and global fossil fuel giants including GVK Hancock, Vale, Rio Tinto, BHP, Adani, Anglo American and Glencore¹⁹.

In November 2012, the Queensland Government announced two measures that it claimed would “restore faith in good government”²⁰. Ministers would keep brief diaries recording their day-to-day meetings, and any contacts between lobbyists and ministers or senior public servants would be recorded on a register. In a paper²¹ written in October 2014, former Queensland Integrity Commissioner David Solomon considered the impact of the changes:

First, Ministers have been making public edited versions of their diaries every month. However this does not extend to revealing who they meet and talk with at fundraisers. Second, the Government made it possible for the Integrity Commissioner to make rules requiring lobbyists to reveal all their lobbying contacts with government representatives, including Ministers. However this only applies to registered third party lobbyists. It does not cover directors, managers or employees of corporations, lobbying on behalf of their own firms, and it does not cover representative industry bodies such as the Property Council or the Queensland Resources Council that are enormously influential as lobbyists. The Government has refused to extend lobbying rules to cover this kind of lobbying, rejecting a number of submissions by me, and a unanimous recommendation of an all-party parliamentary committee.

In the following sections of this report we explore examples of all these types of lobbying and discuss the extraordinary access that lobbyists for the fossil fuel industry have to Queensland’s elected officers and senior public servants. But first, let’s meet some lobbyists.

Meet the lobbyists

From government to third-party lobbyist

The people of Queensland own the mineral resources under the ground. These finite, non-renewable resources can be extracted and sold only once. When we sell a house, we want to get the best price possible for it. Similarly, the people of Queensland are entitled to expect that those negotiating on their behalf will not only negotiate hard for the best possible price, but also to ensure that the community and environment are fully protected.

In some cases, such as the promotion and extraction of coal resources, a strong moral and public interest case could be made for leaving those resources in the ground, given the widespread impacts of climate change for Australia and the rest of the world.

Under these circumstances we might expect a high level of independence from the companies government officials they are regulating and transparency in their dealings with those companies.

But in Queensland government and industry personnel regularly switch between the two.

¹⁹ Queensland resources Council website, accessed January 2015

https://www.qrc.org.au/01_directory/org.asp?mbrTypeID=6

²⁰ Premier Campbell Newman, media release, November 2012

<http://statements.qld.gov.au/Statement/2012/11/19/ministers-diaries-to-be-released-monthly>

²¹ Dr David Solomon AM, *Ministerial access and the public trust*, October 2014

http://www.integrity.qld.gov.au/library/document/catalogue/speeches-articles/Ministerial_access_and_the%20public_trust.pdf

The purpose of a lobbyist is to be able to influence government. To gain this influence many lobbyists are former politicians or the former staff of politicians. Former politicians, ministers and senior party political figures are not required to be marked separately on most registers, but former staffers are easy to find, as shown in Table 1 below:

Table 1: Political staff to third-party lobbyists

Lobbyist	Experience	Lobby firm	Selected federal and state clients according to lobbying registers
David Moore ²²	Chief of Staff to Deputy Premier Jeff Seeney. Formerly worked for Mal Brough and Campbell Newman's 2012 election campaign	Next Level Holdings/Milner Strategic Services	Queensland Coal Investments, GVK*, Bandanna Energy, Adani Mining
Christian Taubenschlag ²³	Media advisor to former defense minister Joel Fitzgibbon	CMAX Communications	Australian Coal Association, QGC, Peabody Energy*
Cameron Milner ²⁴	Former ALP Qld state secretary	Next Level Holdings/Milner Strategic Services	Queensland Coal Investments, GVK*, Bandanna Energy, Adani Mining
*Lobby registers denote former paid client in previous 12 months			

Lobbyists often move between political office and the lobbying world, and they often have ties to various political parties and industry groups. For example, David Moore is a lobbyist and director for the firm Next Level Holdings. In the run-up to the March 2012 state election, Moore was the Chief of Staff to Jeff Seeney, at the time the deputy leader of the Opposition, and later to be Queensland's Deputy Premier and Minister for State Development, Infrastructure and Planning. After the election, Moore returned to his lobbying role, where one of his clients was GVK Hancock — a firm with interests in developing huge coal reserves in the Galilee Basin through mines and a rail link²⁵.

Seeney and Moore faced questions of conflict of interest when months later Seeney announced that GVK would be the preferred company to build a rail line from the Galilee

²² The Courier-Mail, *Meet the Labor and LNP powerbrokers*, February 2012
<http://www.couriermail.com.au/news/queensland/meet-the-labor-and-lnp-powerbrokers/story-fnbt5t29-1226262276122>

²³ LinkedIn <http://au.linkedin.com/pub/christian-taubenschlag/29/599/215>

²⁴ LinkedIn, accessed January 2015 <https://www.linkedin.com/profile/view?id=252672744>

²⁵ News.com.au, *Conflict of interest raised over rail deal*, August 2012
<http://www.news.com.au/national/breaking-news/conflict-of-interest-raised-over-rail-deal/story-e6frfku9-1226449292659>

Basin to coal shipping facilities. Seeney rejected suggestions²⁶ of any improper conduct, saying GVK had been chosen on merit and that he had not met his former Chief of Staff since the LNP's March 2012 election win.

But there is evidence that the relationship between GVK, lobbyist Moore and the Queensland Government is very close.

For example, documents released under Right to Information²⁷ rules show that in June 2012, Moore emailed Seeney's Chief-of-Staff Jeff Popp about a press release GVK was about to send out in the aftermath of then-Federal Environment Minister Tony Bourke's decision to "stop the clock" on a GVK mine approval. Moore invites Popp to review the release and let him know "if there are any pressing issues as they want to hit send", leaving the distinct impression that on this occasion, the Queensland Government was part of the public relations arm of GVK:

Figure 1: Email between lobbyist David Moore and government staffer Jeff Popp

From: David Moore <david@thenextlevel.net.au>
Sent: Tuesday, 5 June 2012 4:58 PM
To: Jeff Popp
Cc: Paul Leven
Subject: Fwd: URGENT DRAFT International Media Statement
Attachments: 120605 URGENT DRAFT International Media Statement.docx

73(2) Not relevant - Out of scope partial refusal

Mate, here is the release GVK are intending to put out shortly to deal with the Indian media. I think its fine and will defer to them about how to write releases for Indian consumption. i will give you a call shortly, but let me know if there are any pressing issues as they want to hit send.
 cheers

David Moore
 The Next Level Consulting Services

Source: RTI release

Moore's company, Next Level Holdings, has also made financial contributions to the LNP. In the financial year 2013/14, returns to Electoral Commission Queensland (ECQ) show Moore's company gave \$20,600 worth of gifts²⁸. Moore's lobbying partner, former Australian Labor Party (ALP) state secretary Cameron Milner, has also made contributions to the ALP. ECQ returns²⁹ show that in 2010, Labor declared \$11,500 worth of gifts from Milner's company, Milner Strategic Services. Queensland's lobbying code does not restrict lobbying

²⁶ News.com.au, *Conflict of interest raised over rail deal*, August 2012
<http://www.news.com.au/national/breaking-news/conflict-of-interest-raised-over-rail-deal/story-e6frfku9-1226449292659>

²⁷ Department of State Development, Infrastructure and Planning, RTI disclosure log
<http://www.dsdp.qld.gov.au/resources/rti/disc-log/rti021.pdf>

²⁸ Electoral Commission Queensland, Next Level Holdings retrun, 2013/2014
<http://www.ecq.qld.gov.au/WorkArea/DownloadAsset.aspx?id=11849>

²⁹ Electoral Commission Queensland, ALP amended return 2010
<http://www.ecq.qld.gov.au/financial.aspx?folderid=378>

firms from making political donations, saying only that activity “on behalf of a political party” should be kept “strictly separate”³⁰.

From government to in-house gas lobbyist

Queensland’s gas industry has expanded enormously in the past five years. In 2009, there were three projects on the desk of the Queensland Government’s Coordinator-General:

- The Santos-led Gladstone LNG project,
- The BG Group-led Queensland Curtis LNG project and
- Australia Pacific LNG – led by Origin and ConocoPhillips.

Together, these projects involved capital expenditure of some US\$51billion, and proposed to drill some 18,650 gas wells in Queensland’s interior. Some of the wells would use the controversial practice of hydraulic fracturing, or fracking, and transport the gas along more than 1,600 kilometres of pipeline.

With so much expansion, there has been plenty of demand for lobbyists. In a 2012 interview with journalist Paul Cleary³¹, Jim Reeves, then Director-General of the Department of Environment and Resource Management (DERM), said the department had lost almost 70 staff in the preceding two years to the resources industry. Reeves commented that the movements showed how resource companies needed staff “who possess a strong understanding of the state government’s rigorous environmental approval processes and strict environmental standards.” Many key government personnel working in departments overseeing coal and gas industry projects moved out of the public service and into the same industry they had been assessing.

For example, in February 2011, then Minister for Natural Resources, Mines and Energy Stephen Robertson announced that senior civil servant Andrew Brier had been appointed to have overall responsibility for a new “LNG Enforcement Unit” — the key group tasked with monitoring the industry. The unit has since been rebadged the CSG Compliance Unit³².

In January 2012, Brier took a job as a “compliance manager” with Santos’ GLNG project and left his civil service desk for a job with the industry he had been working to monitor. Also moving to Santos at around the same time were Jim Belford, also a director in the government’s enforcement unit, and Rod Kent, of DERM.

But perhaps more notable is the movement between the offices of Queensland’s former Premier Newman and the resources industry, and back again. Ben Myers had been Newman’s director of strategy for six years during his time as Lord Mayor of Brisbane, before leaving in May 2010 to take up a senior communications role with QGC.³³

³⁰ Queensland Integrity Commissioner website, accessed January 2015
<http://www.integrity.qld.gov.au/page/lobbyists/code-of-conduct.shtml>

³¹ The Australian, *Staff poaching takes steam out of CSG scrutiny*, January 2012
<http://www.theaustralian.com.au/national-affairs/staff-poaching-takes-steam-out-of-csg-scrutiny/story-fn59niix-1226255741275>

³² Queensland Government business portal, accessed January 2015
<https://www.business.qld.gov.au/industry/csg-lng-industry/regulatory-framework-csg-lng/csg-lng-legislation>

³³ LinkedIn <http://au.linkedin.com/pub/ben-myers/1/213/b7a>

Myers' time at QGC coincided with the company gaining project approvals from the Queensland Government and Federal Government as well as the announcement of the final investment decision³⁴ of US\$15 billion from QGC's owners, BG Group. Myers then returned to Newman's side in April 2011 to spearhead the campaign strategy that led to the LNP's successful 2012 election campaign. Having been reportedly important to Newman's Brisbane mayoral election victories in 2004 and 2008, Myers had made it a trifecta of wins for his boss.³⁵

When Myers rejoined Newman's office in 2011, he described as "offensive"³⁶ suggestions that having a former gas industry PR representative within the inner sanctum of the LNP was bad news for the landholders who were fighting to keep gas firms off their properties.

Former ABC journalist Mitch Grayson³⁷ is another to have moved between Premier Newman's office and the gas industry. In October 2012, Mitch Grayson left his role as a senior media advisor to the Premier to work as a senior media and communications advisor for the \$15 billion Santos GLNG project. A little over a year later, Grayson left Santos to take a media advisory role back in the Premier's office.

(Mitch is also the nephew of John Grayson, who was the Director-General of the Department of Premier and Cabinet in the Newman Government, and who we will meet below.)

Some of these movements between the Queensland public service and the gas industry are shown in Table 2 below:

Table 2: Government staff to gas industry and vice versa

Table: Personnel movements from Qld government to gas industry			
Name	Former government role	Current role	Notes
Jim Belford ³⁸	Director, LNG Enforcement unit	Santos - Senior adviser, governance, assurance and approvals	
Shane McDowall ³⁹	Deputy Coordinator General, Infrastructure and Land	Flinders Hyder	
Andrew Brier ⁴⁰	General manager, Coal and CSG	Private Consultant	Left government to be a compliance manager for

³⁴ Queensland Gas Company, media release, October 2010
http://www.qgc.com.au/media/154114/2010-10-31_news-release.pdf

³⁵ The Courier-Mail, *BOOM: The powerbrokers and the players*, April 2012
<http://www.couriermail.com.au/ipad/boom-the-powerbrokers-and-the-players/story-fn6ck2gb-1226339063858>

³⁶ AAP, *Newman Headhunts Old Adviser*, March 2011 <http://news.smh.com.au/breaking-news-national/newman-headhunts-old-adviser-20110325-1c9p6.html>

³⁷ LinkedIn <http://au.linkedin.com/pub/mitch-grayson/61/a5b/b42>

³⁸ LinkedIn <http://au.linkedin.com/pub/jim-belford/9a/32b/a33>

³⁹ LinkedIn <http://au.linkedin.com/pub/shane-mcdowall/35/525/362>

	Operations		Santos, then left to manage the Gasfields Commission.
Phil Dash ⁴¹	Queensland Deputy Coordinator General	Senior associate, Flinders Hyder	Flinders Hyder is a project management and engineering consultancy that works extensively with Queensland's gas industry.
Rod Kent ⁴²	Internal reviewer, DERM	Manager, landholder relations, Santos	
Geoff Dickie ⁴³	Deputy Coordinator General, Queensland Government	Chairman, Queensland Exploration Council ⁴⁴	Left government to become a strategic advisor in mining and energy at public affairs consultancy Rowland ⁴⁵ .
Cameron Crowther ⁴⁶	Senior adviser to former deputy premier Paul Lucas	Manager of environmental strategy and communications, QGC	
Alan Feely ⁴⁷	Executive director, Queensland Parks and Wildlife Service	Santos GLNG (2009 to 2012)	Feely is now back in Queensland government as a deputy director general in the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs. His departmental biography ⁴⁸ does not note his role with Santos.

⁴⁰ LinkedIn <https://www.linkedin.com/pub/andrew-brier/96/b11/234>

⁴¹ Flinders Group website, news release, October 2012 <http://www.flindersgroup.com.au/welcome-to-environment-and-land-specialists-phil-dash-to-the-team/>

⁴² LinkedIn <https://www.linkedin.com/pub/rod-kent/6b/1a9/393>

⁴³ LinkedIn <http://au.linkedin.com/pub/geoff-dickie/57/51b/84a>

⁴⁴ Queensland Exploration Council, website accessed January 2015

<http://www.queenslandexploration.com.au/who/working-groups/>

⁴⁵ Rowland.com.au, August 2011, accessed January 2015 <http://www.rowland.com.au/rowland-appoints-top-mining-and-infrastructure-advisor/>

⁴⁶ LinkedIn <https://www.linkedin.com/profile/view?id=352355943>

⁴⁷ LinkedIn <https://www.linkedin.com/pub/james-purtill/49/a3a/b93>

⁴⁸ Queensland Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, accessed January 2015 <https://www.datsima.qld.gov.au/about-us/director-general>

Personnel movements from industry to government			
Name	Industry position	Government position	Notes
David Edwards ⁴⁹	Manager, Strategy and Market development, GHD	Director General, Department of State Development, Infrastructure and Planning	GHD has worked extensively with Queensland's gas and coal industry, including input into environmental assessments for major CSG projects.
Les Cox ⁵⁰	Team leader, support projects, Arrow Energy	Senior policy advisor to Andrew Cripps, Minister for Natural Resources and Mines	
Ben Myers ⁵¹	Communications manager, QGC	Campaign manager/Chief of Staff, Campbell Newman	Before joining QGC in May 2020, Myers had worked for Newman for six years.
Mitch Grayson ⁵²	Senior communications advisor, Santos GLNG	Senior media advisor, Premier Campbell Neman	Before moving to Santos in October 2012, Grayson was a media advisor to Premier Newman for seven months.
Lisa Palu ⁵³	Media and communications manager, Arrow Energy	Principal advisor, Office of the Premier and Cabinet	

While there have been many examples of staff moving between government, lobbying and the fossil fuel industry, as discussed above much lobbying consists of meetings between company executives and senior members of the government and public service. The following sections outline some examples of these interactions.

⁴⁹ LinkedIn, accessed January 2015 <https://www.linkedin.com/pub/david-l-edwards/8/749/68a>

⁵⁰ LinkedIn, accessed January 201 <https://www.linkedin.com/pub/neil-mcgregor/37/5aa/40>

⁵¹ LinkedIn, accessed January 2015 <http://au.linkedin.com/pub/ben-myers/1/213/b7a>

⁵² LinkedIn, accessed January 2015 <http://au.linkedin.com/pub/mitch-grayson/61/a5b/b42>

⁵³ The Courier-Mail, *State's top public servants are jumping ship to join the CSG industry they assessed*, April 2013 <http://www.couriermail.com.au/business/states-top-public-servants-are-jumping-ship-to-join-the-csg-industry-they-assessed/story-fnbdkrr9-1226609927099>

From sports to saké — wining and dining with Queensland's fossil fuel elite

A crucial aspect of transparency and accountability in lobbying is that meetings are attended and witnessed by third parties, records are made of the meetings and that they are accessible to the public.

Taking important meetings out the office and into social and sporting events undermines the professionalism of these interactions and avoids appropriate communications protocols, records and disclosure of the nature of these meetings.

Do we really want discussions between senior government representatives and mining lobbyists, involving potentially billions of dollars worth of state assets taking place in corporate boxes at football matches and restaurants?

Government-hosted sporting events

Queensland Government members often hold functions at sporting events. These events provide guests with a chance to mingle with government members, journalists and policy advisors. Documents tabled in Queensland's Parliamentary Estimates detail the use of the corporate box for the 2009/10 financial year⁵⁴. Government ministers and the Premier regularly hosted gas and coal industry executives and lobbyists.

For example, on 12 March 2010 there were 48,500 people packed into Brisbane's Suncorp Stadium to watch the Brisbane Broncos' 2010 season opener against the North Queensland Cowboys. As the Broncos held on for a 30-24 win, the noise of the massive crowd would have been enough to permeate the Queensland Government's corporate box, where Treasurer Andrew Fraser and Deputy Premier Paul Lucas were the Labor ministerial hosts.

Among the invitees that night was UK-based Frank Chapman, the chief executive of international energy company BG Group. Chapman's Australian colleagues Rob Millhouse and Catherine Tanna, of BG Groups' Queensland Gas Company (QGC), were also on the invitee list.

Less than two weeks later, QGC representatives signed a deal in Beijing — with Chapman and Tanna in attendance — to sell more than 70 million tonnes of liquefied natural gas to China.

Tanna had previously been invited by Labor Premier Bligh to watch Australia play the West Indies in a one-day cricket match at the Gabba, to see the Brisbane Roar play Gold Coast United at Suncorp beside Energy Minister Stephen Robertson, and to watch the Brisbane Lions take on Carlton in a 2009 AFL game in the company of Environment and Resource Management Minister Kate Jones.

Major companies including Santos, Rio Tinto, BHP Billiton, Origin Energy, Anglo Coal and Waratah Coal, as well as major Japanese and Chinese mining groups, were all invited to the

⁵⁴ Queensland Government Hansard, June and July 2010 Estimates, p106-162
<http://www.parliament.qld.gov.au/documents/Committees/EC/2010/Additional/Est2010-rpt-EstF-Rep-add.pdf>

sporting occasions and hosted by senior ministers⁵⁵. One of the invitee lists is shown in Figure 2 below:

Figure 2: Invitees to government function

EVENT: Brisbane Roar v Gold Coast United

Host:	Venue:	Date:	Total cost:
Hon Stephen Robertson and Ms Caz Osborne	Suncorp Stadium	11 October 2009	\$1928

Name	Position	Organisation
Ms Catherine Goldie	Advisor	Natural Resources, Mines, Energy & Trade
Mr Dan Hunt and Mrs Bernadette Hunt	Associate Director-General	Natural Resources, Mines, Energy & Trade
Mr Bill Champion	Managing Director	Rio Tinto Coal Australia
Mr Christopher Towsey and Mrs Helen Towsey	Chief Executive	Citigold Corp Ltd
Mr Keith Barker and Mrs Rhonda Barker	Managing Director	Northern Energy Corporation Ltd
Mr Marcelo Bastos and Mrs Cira Bastos	Chief Executive	BHP Billiton Mitsubishi Alliance
Mr Michael Roache and Ms Jenny McDonald	Chief Executive	Queensland Resource Council
Mr Paul Zealand and Mrs Jane Zealand	Executive General Manager	Upstream Oil and Gas, Origin Energy
Mr Richard Barber and Mrs Carol Barber	Consultant	Santos/TOGA Pty Ltd
Mr Ross Williams and Mrs Mary Williams	Vice President External Affairs	BHP Billiton Mitsubishi Alliance
Mr Seamus French	Regional Head of Projects & Engineer	Anglo Coal Aust Pty Ltd
Mr Brent Waldron	Regional Head of Business Performance and Commercial	Anglo Coal Aust Pty Ltd
Mr Trevor Davies and Mrs Cathie Davies	Chief Executive	Golding Contractors
Mr Greg Lane and Mrs Birgitt Lane	Deputy Chief Executive	QRC
Mr Dave Smith and Mrs Melita Smith	Commerce Manager	Line Energy
Ms Catherine Tanna and Mr David Condon	Managing Director	BGC
Mr Darian Hielscher and Mrs Maria Hielscher	Chief Executive	Syntech Resources
Mr Rob Millhouse	General Manager Govt Affairs	QGC Ltd
Mr Paul Woodland	Strategic Advisor	QGC Ltd
Mr Peter Lynch and Mrs Laura Lynch	Chief Executive	Waratah Coal

⁵⁵ Queensland Government Hansard, June and July 2010 Estimates, p106-162
<http://www.parliament.qld.gov.au/documents/Committees/EC/2010/Additional/Est2010-rpt-EstF-Rep-add.pdf>

Source: *Queensland Government Hansard, June and July 2010 Estimates, p127*

During the Bligh Government era, the document suggests it was not unusual for corporate heavyweights to be invited to events in the corporate boxes of government-owned stadiums. Union officials and representatives of some non-government organisations also attended many functions, but no invites were issued to groups concerned about climate change, fracking or mining in agricultural areas. While the red carpet was rolled out for the fossil fuel industry, their opponents were clearly not welcome.

Government members in industry corporate boxes

The sporting favours have gone the other way too. In February 2014, it emerged⁵⁶ that in 2012 and 2013, key ministers had accepted invitations to attend international rugby games in the corporate box of New Hope Coal.

Since 2002 New Hope has operated a mine on Queensland's Darling Downs farming country, producing five million tonnes of thermal coal a year. Over the years the company has bought properties surrounding the mine, turning the town of Acland into a ghost town.

In April 2007, the company began moves to expand the mine by advising the Labor-led Queensland Government of its \$700 million plans expand to 10 million tonnes of coal a year. In the run up to the March 2012 state election, LNP leader Campbell Newman said he would block the extension, saying it was "inappropriate" to mine coal on the prime agricultural country⁵⁷.

However, in November 2012, eight months after the LNP government won power, New Hope announced a downscaled plan to mine 7.5 million tonnes per year⁵⁸. The Newman Government announced it would consider the plan and in December 2014 — a period when most eyes would be on preparations for Christmas — Deputy Premier Jeff Seeney announced that the mine had been approved.

During this period while lobbying to expand the Acland coal mine, New Hope and its parent company were major political donors to the LNP. Washington H Soul Pattinson owns close to 60 per cent of the shares in New Hope Group⁵⁹. Pattinson has long been a regular donor to the LNP, donating \$20,000 in financial year 2008/09⁶⁰ and \$25,000 the following year⁶¹. The Queensland LNP has stated⁶² it has received no more than \$3400 from New Hope since its 2012 election success. However, federal electoral commission records show donations rose

⁵⁶ Brisbane Times, *Miners treat ministers to rugby*, February 2014

<http://www.brisbanetimes.com.au/queensland/miners-treat-ministers-to-rugby-20140206-324n3.html>

⁵⁷ The Australian, *Campbell Newman slams farm gate shut on miners*, March 2012

<http://www.theaustralian.com.au/national-affairs/campbell-newman-slams-farm-gate-shut-on-miners/story-fnbsqt8f-1226312958263>

⁵⁸ Queensland Government, Department of State Infrastructure, development and Planning, Coordinator General web page on Acland Stage 3 <http://www.dsdip.qld.gov.au/assessments-and-approvals/new-acland-coal-mine-stage-3-expansion.html>

⁵⁹ New Hope Group 2014 Annual Report

http://www.newhopegroup.com.au/files/files/BF000655_NHG_2014_AnnualReport_Final_WebRes_EX.pdf

⁶⁰ Australian Electoral Commission, 2008/09 donations by Washington H Soul Pattinson & Co. Limited <http://periodicdisclosures.aec.gov.au/Donor.aspx?SubmissionID=23&ClientID=6576>

⁶¹ Australian Electoral Commission, 2009/10 donations by Washington H Soul Pattinson & Co. Limited <http://periodicdisclosures.aec.gov.au/Donor.aspx?SubmissionID=24&ClientID=6576>

⁶² News.com.au, *Money shot: ALP and LNP leaders in party funding fiscal fight ahead of Queensland State Election*, January 2015 <http://www.news.com.au/national/queensland/money-shot-alp-and-lnp-leaders-in-party-funding-fiscal-fight-ahead-of-queensland-state-election/story-fnj4alav-1227195506532>

sharply in the four years from 2010/11, seeing the company donate some \$950,000 to the party⁶³. These donations were made to the Federal Liberal party; the original returns are marked as being lodged “on behalf of New Hope Corporation”. All New Hope’s operations are based in Queensland.

As Darling Downs grazier and veterinarian Nicki Laws told the ABC⁶⁴: “That has to influence policy. No-one’s going to give away that sort of money without expecting something for it.”

Wining and dining with the Planning Department

Such corporate and government hospitality is not confined to sporting venues. The more tranquil surroundings of some of Brisbane’s best-known restaurants are also popular places to hold meetings with coal company executives.

Documents obtained⁶⁵ under Right to Information laws in June 2014 show details of the hospitality and entertainment expenses logged by David Edwards, the Director-General of the Department of State Development, Infrastructure and Planning, between March 2012 and June 2014.

The documents show that Edwards met repeatedly with senior resource company figures in Brisbane restaurants. Meetings like these do not have to be disclosed on lobbying contact forms because company staff are classed as “in-house” lobbyists and therefore exempt.

During this period, the Newman Government strongly encouraged coal companies to develop coal reserves in the as yet untapped Galilee basin. The government announced it would provide discounts on royalties paid by early-mover companies and or directly subsidise infrastructure development.

Most notable has been the state’s support for Indian coal company Adani. Adani wants to mine 60 million tonnes of coal a year from the proposed Carmichael mine, which would be one of the biggest coal mines in the world. The Newman government proposed to invest an unknown amount in a rail line to link the mine to the company’s port facilities at Abbott Point.

Galilee Basin coal projects have been hugely controversial due to their potential impacts on climate change, the need to ship coal through the Great Barrier Reef, the need to dredge ports next to the Reef, and the potential impact of the projects on water resources in the arid agricultural area.

⁶³ Australian Electoral Commission, 2010/11 donations by Washington H Soul Pattinson & Co. Limited <http://periodicdisclosures.aec.gov.au/Donor.aspx?SubmissionID=48&ClientID=6576> , Australian Electoral Commission, 2011/12 donations by Washington H Soul Pattinson & Co. Limited <http://periodicdisclosures.aec.gov.au/Donor.aspx?SubmissionID=49&ClientID=6576>, Australian Electoral Commission, 2012/13 donations by Washington H Soul Pattinson & Co. Limited <http://periodicdisclosures.aec.gov.au/Donor.aspx?SubmissionID=51&ClientID=6576>, Australian Electoral Commission, 2013/14 donations by Washington H Soul Pattinson & Co. Limited <http://periodicdisclosures.aec.gov.au/Donor.aspx?SubmissionID=55&ClientID=6576>

⁶⁴ ABC, *Company seeking mine expansion donated \$700,000 to LNP, federal Liberal Party*, May 2014 <http://www.abc.net.au/news/2014-05-09/acland-coal-mine-liberal-party-donations/5440184>

⁶⁵ Queensland Department of Infrastructure and Planning, RTI disclosure log <http://services.dip.qld.gov.au/opendata/RTI/dsdip/RTIP1314-138/DocumentsForRelease-RTIP1314-138.pdf>

According to the RTI release and the government departmental gifts register, Edwards has had restaurant meetings with executives from Adani on at least four occasions:

- On the evening of 15 October 2012, Edwards dined with Harsh Mishra, an Adani director, and paid for the meal, at Eagle Street's Sake restaurant, because it would "develop and maintain working relationships" with the mining giant⁶⁶.
- In September 2013, Edwards had dinner at the Eagle Street restaurant Pony with Adani Chief Operating Officer Samira Vora and his new Australia CEO Jeyakumar Janakaraj. The purpose of the meeting was to "brief" the new CEO on "key issues"⁶⁷. Edwards picked up the \$228 bill as it "enhances the Department's ability to assist Adani to move to the next stages of development of its major project". This is shown in Figure 3 below.
- Edwards had dinner with the two Adani executives again in April 2014 at Brisbane's Port Office⁶⁸. According to the expenses form, Edward's department justified picking up the \$186 bill because the dinner "provided an opportunity to encourage relationships with the one of the state's largest resource sector investors while discussing the progress of the company's Galilee Basin project."
- In July 2014, Edwards declared⁶⁹ a gift from Adani of \$87 for a dinner at E'cco with Adani's Janakaraj. Less than a week later, Edwards was dining with Adani founder Gautam Adani at Sake restaurant, with the billionaire paying Edwards' \$88 bill.

⁶⁶ Queensland Department of Infrastructure and Planning, RTI disclosure log, p103
<http://services.dip.qld.gov.au/opendata/RTI/dsdip/RTIP1314-138/DocumentsForRelease-RTIP1314-138.pdf>

⁶⁷ Queensland Department of Infrastructure and Planning, RTI disclosure log, p125
<http://services.dip.qld.gov.au/opendata/RTI/dsdip/RTIP1314-138/DocumentsForRelease-RTIP1314-138.pdf>

⁶⁸ Queensland Department of Infrastructure and Planning, RTI disclosure log, p11
<http://services.dip.qld.gov.au/opendata/RTI/dsdip/RTIP1314-138/DocumentsForRelease-RTIP1314-138.pdf>

⁶⁹ Department of State Development, Infrastructure and Planning, Gifts and benefits register, July to September 2014 <http://www.dsdip.qld.gov.au/resources/rTI/gifts-benefits-register-jul-sep-2014-dsdip.pdf>

Figure 3: Expense claims dining with Adani executives



DECLARATION OF GIFTS MADE

Register no (Finance use only) _____

Please select the relevant department

Department of State Development, Infrastructure and Planning
 Department of Local Government, Community Recovery and Resilience

Details of Gift Made (Including hospitality and other intangible benefits)	
Name of gift recipient Name of person and position	Samir Vora, Chief Operating Officer and Jeyakumar Janakara, CEO
Employer	Adani Mining Pty Ltd
Gift made by Name of person and position	David Edwards, Director-General
Reason for issue	Meet the new CEO of Adani Mining Pty Ltd and brief him on key issues
Description of gift (including the location, if hospitality)	Dinner at Pony, Eagle Street Pier Brisbane
Total value of gift – GST inclusive	\$228.26
Date gift made	17 September 2013
Important: A certified declaration and supporting documentation to be provided within 21 days.	
Giving this gift is of benefit to Queensland because *	It enhances the Departments ability to assist Adani to move to the next stages of development of its major project

Source: RTI documents, p125

GVK Hancock is another mining giant hoping to unlock Galilee Basin coal. Edwards had a “working dinner” on an evening in February 2013 at the restaurant ChaChaChar with Sanjay Reddy, the vice chairman of Indian coal company GVK, his wife Pinky Reddy and fellow GVK director Raju Gottumukkala. The \$345 bill, including a \$99 bottle of Shiraz, was charged to the Queensland taxpayer because it helped to “develop and maintain working relationships” between GVK and the department. The meeting was to discuss “rail investment”.

In June 2013, Edwards paid for the breakfast of James Moutafis, senior vice president for coal business development at rail freight business Aurizon. This was an “opportunity to build and maintain relationships”. Aurizon signed a non-binding agreement with GVK in March 2013⁷⁰ to provide the rail haulage capacity for up to 60 million tonnes of coal a year from the company’s Alpha and Kevin’s Corner mines in the Galilee basin.

Edwards also used \$500⁷¹ of Queensland taxpayers’ money to buy a “framed and personally signed tennis racquet” for GVK founder and billionaire Dr GVK Reddy as a thank you for “introductions and arrangements” while in India and for “maintaining working relationships” with the government. Edwards was gifted back a “silver tray” worth \$500 from Reddy which,

⁷⁰ Aurizon, media release, March 2013

<http://www.aurizon.com.au/Media/MediaRelease/Pages/Aurizon-and-GVK-Hancock-proposed-development.aspx>

⁷¹ Department of State Development, Infrastructure and Planning, Gifts and benefits register, January to March 2013, p2 <http://www.dsdip.qld.gov.au/resources/rti/gifts-benefits-register-jan-mar-2013-dsdip.pdf>

Edwards declared on official forms, would “assist in maintaining relationships with GVK and the state”. Part of these records are shown in Figure 4 below:

Figure 4: Gifts to GVK

Gifts Given								
Date gift made	Description of gift or benefit	Fair Market Value (AUD)	Name of donor	Donor organisation	Name of recipient(s) Surname, then first name	Recipient's employer	Reason providing gift is of benefit to the Queensland community	Approver name
11/02/2013	Framed and personally signed tennis racquet	\$ 500.00	Edwards, David	DSDIP	Dr GVK Reddy	GVK	As a courtesy and in appreciation for meeting introductions and arrangements made whilst travelling in India, along with developing and maintaining working relationships between GVK and the Queensland Government	Cassidy, Colin
12/02/2013	Large framed Indigenous print	\$ 19.36	Edwards, David	DSDIP	Dongre, Ashish	GVK	As a courtesy and in appreciation for meeting introductions and arrangements made whilst travelling in India, along with developing and maintaining working relationships between GVK and the Queensland Government	Cassidy, Colin

Source: Department of State Development, Infrastructure and Planning, Gifts and benefits register, January to March 2013, p2

At issue here is not whether senior public servants should meet with project proponents, nor whether they should have expense accounts. Hundreds or even thousands of dollars’ worth of expenses are ultimately not particularly important for the state budget.

What is important is the extent of access provided to the proponents of controversial developments and the types of relationships fostered with these people. Wining and dining, and giving and receiving gifts with executives whose companies stand to receive hundreds of millions of dollars’ worth of taxpayer subsidy appears to break no rules of government. But it gives the impression that the relationship between government and corporation is a cosy one.

Like the invite lists to sporting events mentioned above, nowhere in the released documents are there reports of Edwards dining with representatives of communities affected by coal and gas mining. It appears that he did not meet with non-government economists sceptical about the economic case for these projects. Not one climate scientist or reef ecologist appears to have received so much as a coffee at taxpayers’ expense to discuss the impacts of these projects. The Department of State Development, Infrastructure and Planning seems less enthusiastic to “build and maintain relationships” with such people.

Four Australians, a wedding and a coal deal

As discussed above, the coal industry is not shy with its hospitality towards politicians. Even by these standards, however, the wedding of Mallika Reddy, the granddaughter of one of India’s wealthiest industrialists, GV Krishna Reddy, was a sumptuous and extravagant affair, stretching over three days in the Indian city of Hyderabad.

The June 2011 wedding came in the middle of negotiations between GVK Reddy and Gina Rinehart, one of the world's richest people, who wanted GVK to buy her coal assets in Queensland. Rinehart was invited to the wedding, but she wanted company – and not just any old company. In a move that would have shown Rinehart's status and influence back in Australia, the mining magnate loaded up her private jet with three willing members of Australia's federal Parliament.

Then-Queensland Nationals Senator Barnaby Joyce, the shadow Liberal deputy Prime Minister Julie Bishop and the Liberal MP for Brisbane Teresa Gambaro all accepted Rinehart's invitation and accompanied her at the Hyderabad ceremony⁷². "I must admit it was absolutely mind-blowing," Joyce said of the event⁷³.

The dollars at stake for Rinehart were also pretty mind blowing. Three months after the wedding, Rinehart's Hancock Prospecting sold controlling stakes in three of her Queensland coal mines to GVK for \$1.2 billion.

Who knows if the presence of Joyce, Bishop and Gambaro at the Reddy wedding helped to swing the deal? What is unquestionable is that senior politicians, two from Queensland, were willing to mix with coal industry representatives in ways that would be unthinkable for representatives of most industries or for community groups opposed to fossil fuel development.

Political donations or corporate cash for special access?

Of course most industry lobbyists don't fly politicians to extravagant weddings. Less spectacular lobbying more often involves paying to attend functions where politicians will be present. In the run-up to the March 2012 state election, the LNP introduced QForum⁷⁴ — a secretive subscription-based scheme where corporations were invited to events with the promise of access to ministers. Journalists have reported their frustrations at trying to obtain details about the scheme⁷⁵.

Many energy companies with large interests in fossil fuel extraction in Queensland have signed up to the state LNP's QForum network. Submissions to Electoral Commission Queensland and ministerial diary entries show Peabody Energy, Hancock Coal⁷⁶ and QCoal have paid subscriptions, as have Beach Energy, Metro Coal, Caltex⁷⁷, Origin⁷⁸ and Santos⁷⁹.

⁷² Crikey, *Wielding power the Rinehart way*, September 2011

<http://blogs.crikey.com.au/rooted/2011/09/19/wielding-power-the-rinehart-way/>

⁷³ Sydney Morning Herald, *Big bucks for MPs' Bollywood adventure*, October 2013

<http://www.smh.com.au/federal-politics/political-news/big-bucks-for-mps-bollywood-adventure-20131005-2v0wf.html>

⁷⁴ The Australian, *Pay-for-access fundraising raking in millions for Queensland Premier*, October 2013

<http://www.theaustralian.com.au/national-affairs/state-politics/pay-for-access-fundraising-raking-in-millions-for-queensland-premier/story-e6frgczx-1226745557270>

⁷⁵ Brisbane Times, *LNP fundraising club QForum shrouded in secrecy*, November 2009

<http://www.brisbanetimes.com.au/queensland/lnp-fundraising-club-qforum-shrouded-in-secrecy-20141127-11via6.html>

⁷⁶ Electoral Commission Queensland, donor return, 2012, Hancock Coal

<http://www.ecq.qld.gov.au/WorkArea/DownloadAsset.aspx?id=9520>

⁷⁷ Electoral Commission Queensland, donor return, 2013/14, Caltex

<http://www.ecq.qld.gov.au/WorkArea/DownloadAsset.aspx?id=11781>

⁷⁸ Electoral Commission Queensland, donor return, 2012, Origin

<http://www.ecq.qld.gov.au/WorkArea/DownloadAsset.aspx?id=9597>

⁷⁹ Electoral Commission Queensland, donor return, 2013/14, Santos

<http://www.ecq.qld.gov.au/WorkArea/DownloadAsset.aspx?id=11852>

The Newman Government in June 2013 brought the state in line with Federal political disclosure rules, meaning donations below \$12,400 would not have to be declared by donors. Caps on donations were also scrapped⁸⁰. This change brings money paid as “subscriptions” to the QForum below any disclosure limit. But as reported in The Saturday Paper⁸¹, applications forms for QForum make a virtue of the fact that subscriptions do not need to be disclosed. Journalist Sophie Morris wrote:

The application form says the \$11,000 fee buys entry to five events, each in a “private dining setting” with “federal, state and local parliamentary leaders”, and with attendance restricted to 15 business leaders. These are intimate gatherings where business people finance the LNP in return for access to their politicians.

What is known about the LNP’s QForum cash for access fundraising scheme is due almost entirely to the efforts and perseverance of journalists. Few details are given voluntarily. Former Premier Newman reportedly⁸² “ordered his cabinet to declare the QForum events and detail attendees in their ministerial diaries”.

Yet a review of ministerial diaries shows some former Newman Government ministers were more diligent than others in disclosing who they met at QForum fundraising events. Former environment Minister Andrew Powell’s diary shows he attended two QForum events in May and June 2014^{83 84}. Former Public Works Minister Tim Mander attended a QForum event in June 2013⁸⁵. None of the diary entries include a list of people they met.

QForum events also appear in the diaries of former Health Minister Lawrence Springborg⁸⁶ and then Treasurer Tim Nicholls⁸⁷, and these entries do include long lists of guests.

A November 2013 QForum event attended by Premier Newman⁸⁸ included guests from several fossil fuel energy companies, including QCoal, ERM Power, Beach Energy, Metro Coal, Origin, Caltex, GVK and Peabody Energy.

As well as paying subscriptions, it has also been reported⁸⁹ that some firms have paid as much as \$22,000 to “sponsor” single events.

⁸⁰ Guardian Australia, *Queensland removes political donation limits and cuts reporting standards*, May 2014 <http://www.theguardian.com/world/2014/may/23/queensland-removes-political-donation-limits-and-cuts-reporting-standards>

⁸¹ The Saturday Paper, *Politics’ hidden millions in party favours*, August 2014 <https://www.thesaturdaypaper.com.au/news/politics/2014/08/30/politics-hidden-millions-party-favours/1409320800#.VL7zTWSUd1R>

⁸² The Australian, *Pay-for-access fundraising raking in millions for Queensland Premier*, October 2013 <http://www.theaustralian.com.au/national-affairs/state-politics/pay-for-access-fundraising-raking-in-millions-for-queensland-premier/story-e6frgczx-1226745557270>

⁸³ Andrew Powell Ministerial Diary, May 2014 <http://www.cabinet.qld.gov.au/ministers/diaries/assets/may-2014/powell-diary-may-2014.pdf>

⁸⁴ Andrew Powell Ministerial Diary, June 2014 <https://www.cabinet.qld.gov.au/ministers/diaries/assets/june-2014/powell-diary-june-2014.pdf>

⁸⁵ Tim Mander Ministerial Diary, June 2013 <https://www.cabinet.qld.gov.au/ministers/diaries/assets/june-2013/mander-diary-june-13.pdf>

⁸⁶ Lawrence Springborg Ministerial Diary, February 2014 <http://www.cabinet.qld.gov.au/ministers/diaries/assets/february-2014/springborg-diary-february-2014.pdf>

⁸⁷ Tim Nicholls, Ministerial Diary, February 2013 <http://www.cabinet.qld.gov.au/ministers/diaries/assets/nicholls-diary-feb-13.pdf>

⁸⁸ Campbell Newman Ministerial Diary, November 2013 <http://www.cabinet.qld.gov.au/ministers/diaries/assets/november-2013/premier-diary-november-2013.pdf>

Prior to the 2015 state election, it emerged that Labor⁹⁰ had also launched its own version of QForum — known as the Queensland Progressive Business Network — that would charge up to \$10,000 a year for access to events that would include “one-on-one” meetings with MPs and “engage with the party leadership”.

The Australian Electoral Commission (AEC) attempts to set out what constitutes a donation in the context of corporations attending functions. In a bizarre loophole, the AEC guidelines state⁹¹ that payments for attending functions “for commercial reasons” do not have to be considered a donation “if the commercial value or benefit of attending is equal to or exceeds the amount paid”. These payments, the guidelines explain, are only considered a donation if the payee “did not receive services or adequate services equal to the value of the payment”.

Former Queensland Integrity Commissioner Gary Crooke QC referred to these practices as “bipartisan ethical bankruptcy”, noting that;

Not only is this behaviour wrong from the point of view of perceived and actual fairness, it is deeply flawed because it wilfully and arrogantly disregards a fundamental principle of our democracy: that those elected to govern must use the power entrusted to them for the benefit of the community.

Simply put, the attributes of government have been temporarily reposed in those elected. These attributes are not their property and are not for sale to augment the coffers of sectional interest in the form of a political party.

Needless to say, representatives of community and environment organisations tend not to attend either political party’s cash-for-access affairs. If they did, they would almost certainly be keen to raise issues around the governance and management of the Great Barrier Reef.

Reef and coal

If the Great Barrier Reef was a business — rather than an iconic wonder of the natural world — it would lobby furiously against the extraction and burning of fossil fuels, because this is against its long term interests. Rather than lobbyists, however, the Reef is represented by the Great Barrier Reef Marine Park Authority (GBRMPA), a government authority charged with managing the marine park.

The GBRMPA faced questions about its impartiality in late 2013 when an ABC 7.30 Report investigation⁹² revealed that two members of the authority’s board had personal business interests in fossil fuel industries. The program claimed that board members Tony Mooney⁹³ and John Grayson had questions to answer about their roles on the board.

⁸⁹ The Courier-Mail, *Queensland business leaders paying up to \$22,000 for QForum access to LNP’s Campbell Newman*, March 2012 <http://www.couriermail.com.au/news/queensland/queensland-business-leaders-paying-up-to-22000-for-qforum-access-to-lnps-campbell-newman/story-fnbt5t29-1226287795454>

⁹⁰ ABC, *Corruption fighters David Ipp and Gary Crooke attack cash-for-access as Labor copies LNP’s fundraising dinners*, January 2015 <http://www.abc.net.au/news/2015-01-21/concern-over-political-donation-transparency-qld-election/6029986#invite>

⁹¹ Australian Electoral Commission, guide for donors, accessed January 2015 http://www.aec.gov.au/parties_and_representatives/financial_disclosure/guides/donors/information.htm

⁹² ABC 7.30 Report, *Conflict of interest threatens Great Barrier Reef*, October 2013 <http://www.abc.net.au/7.30/content/2013/s3879733.htm>

⁹³ Office of the Minister for Environment, Hon Greg Hunt, media release, February 2104 <http://www.environment.gov.au/minister/hunt/2014/mr20140224a.html>

Mooney was appointed to the GBRMPA board in December 2011. At the time, he was general manager of strategic relations for Guildford Coal⁹⁴.

Grayson's business background includes shareholdings in companies working in the coal and gas industries, including an investment company that had secured the purchase of the Dalrymple Bay Coal Terminal⁹⁵. Grayson had also been appointed by Premier Newman to be the Director-General of the Department of Premier and Cabinet. This role is considered the most senior job in the public service, and Grayson was handed it within days of Premier Newman winning the March 2012 state election⁹⁶. He lost that role after the Newman Government lost the 2015 state election and no longer sits on the GBRMPA board.

Furthermore, in May 2013, Grayson appeared as a shareholder in a new company listed that month — Gasfields Water and Waste Management Services (GWWS). One of the key objectives of GWWS was to “develop a common user approach to waste coal seam gas water collection and treatment” on the Darling Downs, a major centre of activity for projects to extract gas for export through Curtis Island, off Gladstone.⁹⁷

The extraction and treatment of the hundreds of billions of litres of water to be extracted and used by coal seam gas companies has been one of the most contentious issues relating to Queensland's gas export boom.

Other shareholders in GWWS have previously included Eddie Obeid Jnr, Dennis Jabour (Eddie Obeid snr's nephew), Tony Bellas and Nick Di Girolamo⁹⁸ (in an unrelated event, it was Di Girolamo's gift of a bottle of Penfolds Grange wine that led to the resignation of New South Wales Premier Barry O'Farrell).

Grayson had previously been referred to the state's Crime and Misconduct Commission (now named the Crime and Corruption Commission) over his business interests, with the commission concluding there was no investigation necessary. The state's Integrity Commissioner has also examined Grayson's business interests. Neither office found issues of impropriety.

In November 2013 Federal Environment Minister Greg Hunt asked for⁹⁹ a “probity and governance review” into allegations raised by the ABC. The review was carried out by Robert Cornall, a retired civil servant and was appointed by Liberal Prime Minister John Howard as the secretary of the Attorney General's Department in January 2000¹⁰⁰.

Cornall's inquiry found Mooney had declared all interests in full to the GBRMPA board and he was cleared of any wrongdoing. Cornall reported that because the GBRMPA board had

⁹⁴ Probity inquiry report of Robert Cornall into Tony Mooney

<http://www.environment.gov.au/minister/hunt/2014/pubs/mr20140224a-mooney.pdf>

⁹⁵ Web archive of Department of Premier and Cabinet Director-General biography on Jon Grayson

<http://www.webcitation.org/6W3r3CQZm>

⁹⁶ The Courier-Mail, *Premier Campbell Newman chooses Jon Grayson for role as new director-general of the Premier's Department*, March 2012 <http://www.couriermail.com.au/news/queensland/jon-grayson-tipped-for-role-as-new-director-general-of-the-premiers-department/story-fnbt5t29-1226310324542>

⁹⁷ Probity inquiry report of Robert Cornall into Jon Grayson

<http://www.environment.gov.au/minister/hunt/2014/pubs/mr20140224a-grayson.pdf>

⁹⁸ The Australian, *Campbell Newman man Jon Grayson 'not sure' of AWH tie*, April 2014

<http://www.theaustralian.com.au/national-affairs/state-politics/campbell-newman-man-jon-grayson-not-sure-of-awh-tie/story-e6frgczx-1226891541149>

⁹⁹ Office of the Minister for the Environment Greg Hunt, Media Release, February 2014

<http://www.environment.gov.au/minister/hunt/2014/mr20140224a.html>

¹⁰⁰ Web archive of January 2000 Media Release from the Office of Prime Minister John Howard

<http://web.archive.org/web/20140201015952/http://pmtranscripts.dpmc.gov.au/browse.php?did=11274>

no jurisdiction over development approvals from Curtis Island, there was no conflict of interest.

The review found that there had been seven GBRMPA meetings where board members were asked to declare their interests and that Grayson had declared his interests to in two trusts — the Grayson Investment Trust and the Woodvale Superannuation Fund — as well as an interest through his government-appointed position.

However, Grayson had not mentioned his personal interests in other companies related to the coal and gas industries. The review detailed that Grayson had made fuller declarations to the Queensland Government's Integrity Commissioner and that this was sufficient. Cornall's inquiry cleared Grayson of all allegations in relation to his business interests and found no wrongdoing.

But the bad publicity related to Grayson's interests was taking its toll. In May 2014, Grayson wrote to Premier Newman¹⁰¹ saying he would "divest my interests in full without consideration in private companies which I have direct interest and had prior involvement in management".

This included, Grayson wrote, his interests in Gasfields Water and Waste Services Pty Ltd, BT Minerals Pty Ltd and Coal Logistics Australia Pty Ltd.

Premier Newman was steadfast in his defence of Grayson, declaring there had been no conflict of interest and that Grayson had always acted appropriately. Despite this, however, Newman has also repeatedly refused to make public Grayson's full pecuniary interests.

A *Courier-Mail* investigation¹⁰² found Grayson had signed off on a briefing document concerning coal seam gas and coal projects while he owned a 25 per cent stake in a company hoping to secure lucrative work in the industry. The article explains that at the time of signing the briefing document, Grayson owned a 25 per cent stake in Gasfields Water Management with Australian Water Holdings (AWH) holding the remaining stake. The activities of AWH are currently the subject of a NSW ICAC inquiry.

In July 2014 Grayson attended a \$300-per-head farewell cocktail reception for outgoing QGC boss Catherine Tanna at Brisbane's Gallery of Modern Art. His ticket to the event was a gift from Martin Ferguson, non-executive director at BG Group and the former Federal Resources Minister.¹⁰³

A week later, Grayson's department accepted another gift — a \$3600 field trip to QGC's gasfields to "improve understanding of upstream coal seam gas policy issues"

Bankable outcomes – the coal seam gas rush

John Grayson was not the only public servant close to the gas industry. Two weeks before the approval of Santos's US\$16 billion coal seam gas project, Denis Wayper of the

¹⁰¹ Queensland Parliament Hansard, July 2014

http://www.parliament.qld.gov.au/documents/hansard/2014/2014_05_06_WEEKLY.pdf

¹⁰² The *Courier-Mail*, *Campbell Newman's top bureaucrat Jon Grayson advised on coal seam gas*, June 2014 <http://www.couriermail.com.au/news/queensland/campbell-newmans-top-bureaucrat-jon-grayson-advised-on-coal-seam-gas/story-fnihsrf2-1226953942971>

¹⁰³ Queensland Department of Premier and Cabinet, Gifts and Benefits Register, June 2014 <http://www.premiers.qld.gov.au/right-to-info/published-info/assets/dpc-gifts-and-benefits-register-june-2014.pdf>

Department of Infrastructure and Planning (DIP) wrote to the approval body, Queensland's Coordinator General (CG).¹⁰⁴

"We are mindful of the [Coordinator General's] Report being able to provide a 'bankable' outcome," Wayper wrote. Who was doing the "banking" is not articulated, but it seems fair to assume that the phrase reflected the knowledge that the multi-billion project needed approval — no matter what.

Simone Marsh had been working in the DIP in early 2010 — it was a busy time. Both Santos' Gladstone LNG project and the Queensland Gas Company's US\$15 billion Queensland Curtis LNG project were undergoing assessment simultaneously.

In an ABC Four Corners program¹⁰⁵, Marsh revealed she had expressed a series of serious concerns she had about how the CG was about to approve a project with critical information missing, including detailed maps of where Santos wanted to drill their wells.

One of the most contentious of all issues relating to the extraction of gas from coal seams is the potential impacts on groundwater in areas where farming activities are reliant on this water for their survival. To Marsh's astonishment, she was told there would be no chapter in the Coordinator General's approaching report detailing the impacts of the project on groundwater.

Marsh claimed the companies behind the projects were having too great an influence on the process and dictating the speed of the approvals process. In the case of the Santos-led project, it was revealed¹⁰⁶ Marsh had written an email raising 26 areas of concern. Marsh wrote:

It is clear the project's activities will lead to widespread, serious environmental harm and material environmental harm, as defined by the Environmental Protection Act, both during and following the removal, transportation and processing of coal seam gas.

I am concerned that the proponent has in recent days been submitting comments and requesting alterations to the draft Coordinator-General's report and that paragraphs containing important text appear to have been deleted and other changes made in a non-transparent manner and without adequate justification.

Other documents released showed other departmental staff complaining¹⁰⁷ at the lack of time available to properly assess the projects.

¹⁰⁴ Queensland Government Department of State development, Infrastructure and Planning, Right to Information disclosure log

<http://services.dip.qld.gov.au/opendata/RTI/dsdip/ia000728/File%20A%20IA000728.pdf>

¹⁰⁵ ABC Four Corners, *Gas Leak!*, April 2013

<http://www.abc.net.au/4corners/stories/2013/04/01/3725150.htm>

¹⁰⁶ The Courier-Mail, *Public servants tasked with approving massive CSG projects were blindsided by demands to approve two in two weeks*, February 2013 <http://www.couriermail.com.au/news/public-servants-tasked-with-approving-to-massive-csg-projects-were-blindsided-by-demands-to-approve-two-in-two-weeks/story-e6freon6-1226574952587>

¹⁰⁷ The Courier-Mail, *Public servants tasked with approving massive CSG projects were blindsided by demands to approve two in two weeks*, February 2013 <http://www.couriermail.com.au/news/public-servants-tasked-with-approving-to-massive-csg-projects-were-blindsided-by-demands-to-approve-two-in-two-weeks/story-e6freon6-1226574952587>

In a document related to the approval of the QGC project, it emerged that BG Group was effectively threatening the Bligh Government that it would walk away from its multi-billion plans unless approvals were granted quickly.

In an email of 12 May 2010, Ian Fletcher, then Director-General of the Department of Employment, Economic Development and Innovation, reported to the then Queensland Treasurer Andrew Fraser that he had met with QGC senior vice president David Maxwell to talk about “the state of play for QGC’s investment decision”.

Fletcher reported Maxwell had told him “the drop dead date really is the June board meeting. After that customers will begin to go away, and the company will not continue with its investment.” BG Group eventually made an investment decision on the project at a board meeting in late October.

Queensland’s Crime and Misconduct Commission assessed complaints¹⁰⁸ made in relation to the approvals of the Santos-backed GLNG project and the Queensland Gas Company’s QCLNG project. The CMC found there was no evidence of undue influence or pressure being placed on departmental officers and that the approvals process had not breached environmental protection laws.

Conclusions and questions

“Power tends to corrupt and absolute power corrupts absolutely,” wrote Britain’s Lord Acton.

The line, from a letter Acton wrote in 1887, is famous, yet the remainder of the paragraph from which it comes is rarely ever used¹⁰⁹.

Great men are almost always bad men, even when they exercise influence and not authority: still more when you superadd the tendency or the certainty of corruption by authority. There is no worse heresy than that the office sanctifies the holder of it.

The lure of wealth and income from fossil fuels and the power and access of the industry to Queensland’s highest offices is clear. The question is, do the current approaches to governing lobbying, political donations and access ensure the risk of corruption is kept to a minimum?

Just days after the 2015 Queensland state election was announced, The Australia Institute asked the leaders of all the major political parties to commit to a set of four accountability and governance principles put forward by The Honourable Tony Fitzgerald AC QC. These were:

1. *Govern for the peace, welfare and good government of the State.*
2. *Make all decisions and take all actions, including public appointments, in the public interest without regard to personal, party political or other immaterial considerations.*
3. *Treat all people equally without permitting any person or corporation special access or influence.*

¹⁰⁸ Queensland Crime and Corruption Commission, media release, September 2013
<http://www.ccc.qld.gov.au/news-and-media/cmc-media-releases/cmc-completes-assessment-of-csg-complaints>

¹⁰⁹ Letter from Lord Acton to Archbishop Mandell Creighton, April 1887
<http://history.hanover.edu/courses/excerpts/165acton.html>

4. Promptly and accurately inform the public of its reasons for all significant or potentially controversial decisions and actions.

The ALP, Bob Katter's Australia Party, Palmer United Party, and the Queensland Greens agreed to adopt the principles if elected. The Liberal National Party initially ignored the request, although under questioning LNP at a public forum Premier Newman said¹¹⁰ he was happy to accept them.

But accountability and transparency can only take you so far. Should a coal company be allowed to donate hundreds of thousands of dollars to a political party? Does declaring such donations make them any more palatable to the Queensland public?

Should public servants and ministers accept gifts from fossil fuel corporations, even if those gifts are declared?

Can a Lobbyist's Code of Conduct and contact registers be relied upon to show the full extent of lobbying when they explicitly exclude some of the most powerful lobbying groups?

Can safeguards be put in place to ensure individuals are able to work in the private and public sectors without, as the New South Wales ICAC has warned, those relationships being to the detriment of the public interest?

Finally, can concerns about a lack of action on climate change and fossil fuel emissions ever be addressed in an environment where governments and public officials at all levels have such close and secretive relationships with coal and gas industries?

In the recent election Queenslanders demonstrated that they take these issues very seriously.

Cynical assumptions that the public would overlook political donation scandals and special access scandals were turned on their head when exit polling showed an extraordinary 73 per cent of Queensland voters said that issues of "accountability, transparency and trust in government decision" making had a "large impact" on how they voted.¹¹¹

There is now a unique opportunity for a new Parliament to act decisively to end the cosy relationship government representatives and the resource industry, which has clearly become too close for comfort.

¹¹⁰ Guardian Australia, *Campbell Newman forced to endorse transparency principles*, January 2015 <http://www.theguardian.com/australia-news/2015/jan/24/queensland-election-campbell-newman-forced-to-endorse-transparency-principles>

¹¹¹ Atkins, D, February 7 2015, *Opinion: Tony Fitzgerald's warnings about accountability swayed poll result*. Courier Mail. Access 20/4/2015 <http://www.couriermail.com.au/news/queensland-state-election-2015/opinion-tony-fitzgeralds-warnings-about-accountability-swayed-poll-result/story-fnrab879-1227211088254>

About the author

Graham Readfearn is a freelance investigative journalist and blogger who writes about climate change science, climate science denial, the environment and lobbying.

The Guardian hosts Graham's Planet Oz blog and he is a regular contributor to North America's DeSmogBlog, a site devoted to "clearing the PR pollution that clouds climate science".

Graham has worked as a journalist for almost 20 years on newspapers, magazines, radio and online in the UK and Australia. Graham has lived in the Sunshine State since 2005.