

19 January 2021

The Secretary
Joint Standing Committee on Electoral Matters
PO Box 6021
Parliament House,
Canberra
ACT 2061

Dear Secretary,

This is a submission to the committee relating to its inquiry into a Review of the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act 2018.

I am a resident of the small town of Gloucester, NSW which in the past few years was subjected to two major resource proposals, both of which were controversial and opposed by the majority of the Gloucester community, and both of which caused significant distress to the community. The first was a proposal by AGL Ltd to develop a coal seam gas field consisting of 330 wells in the valley to the south of the town. The second was a proposal by Gloucester Resources Ltd (GLR) to construct a coal mine, known as the Rocky Hill mine, just to the south of the town.

In February 2016 AGL announced that it intended not to proceed with its proposal.

In February 2019 the development application by GRL was dismissed by the NSW Land and Environment Court¹ in a landmark decision based upon the mine's likely social impact, and the mine's potential climate change impacts.

I mention the AGL and the GRL matters because my experience of being involved in opposition to both matters very much informs my submissions.

It is apparent that wealthy and well-resourced companies and individuals often are in a better position to obtain greater access to Ministers and other government decision makers than other individuals and community groups. Community groups are usually poorly resourced and often find it difficult to have their voices heard. A good example is when a company prepares and lodges an environmental statement with a resource application. Such statements are always professionally prepared and are expensive. They are usually very detailed and community groups such as Groundswell find it difficult to properly respond because of inadequate resources.

Proponents of major projects often spend large amounts of money advertising the benefits of their proposal which cannot be matched by community groups. Such advertising is clearly designed to ultimately influence the decision makers and should

¹ See Gloucester Resources Limited v Minister for Planning and Anor [2019] NSWLEC 7

not be permitted. The proponents also often make donations to community groups in an effort to get them on side and to indirectly then influence the decision-making process. In our view this is improper.

During the approval process for major resource projects, Ministers and public servant regularly meet with proponents to discuss issues and community groups opposed to the proposal are usually left in the dark about such discussions.

Put simply, there is not a level playing field and the process is very much in favour of those with adequate resources. Significant reform is needed.

I submit that political donations should be seen as being part and parcel of the lobbying process.

Corporations and wealthy individuals often make substantial donations to political parties and candidates. In my view this is an insidious practice which requires much greater regulation. Politicians are often heard to say that they are not influenced by such donations, and it is often impossible to establish a direct link between a donation and a particular decision, but a corporation would only make a political donation if it was in the interests of that company to do so. In my view it is fanciful to suggest that large political donations do not affect Government decision making in some way.

During the AGL campaign we became aware that AGL had been making a series of political donations, and our perception certainly was that this might give them an advantage when dealing with Government. The problem is compounded by the fact that there is no real time reporting of such donations. They are mostly reported to the electoral commission many months after they are made, and the community often only becomes aware of them after major decisions have been made.

In NSW there is an obligation for proponents of projects to disclose donations to the planning authorities, but the Government makes no attempt to police these rules. During the AGL campaign a number of Groundswell members spent large amounts of time attempting to trace all political donations which had been made by AGL, only to discover that AGL had failed to disclose many such donations to the planning authority. Groundswell reported these discrepancies and AGL was later prosecuted and fined. However, this would never have come to light without a huge effort by members of the community. The Government seems to carry out no checks of its own.

Recently Santos obtained planning approval to construct a huge gas field near Narrabri, NSW despite huge community opposition. We now know that Santos is one of the country's largest political donors, which gives the whole approval process an unfortunate odour. Such practices destroy community faith in the approval processes.

It is anomalous that in NSW at least donations by developers are banned and yet major resource companies, whose projects can have huge impacts, are still permitted.

I submit:

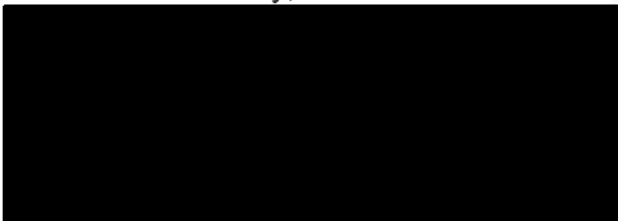
1/ that all political donations above a very small amount should be banned. If not, then donations by resource companies should be banned completely, and

2/ that if larger donations are permitted then anonymous donations above \$1,000 should be banned.

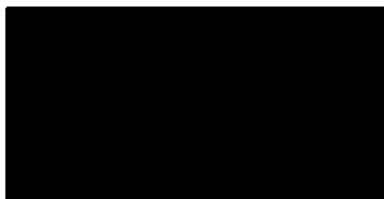
3/ that political donations should be reportable on-line forthwith and available to be seen on an easy to navigate website.

These steps are necessary to help restore community confidence in the political process.

Yours Sincerely,

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John Watts

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