



# Foreign Influence Transparency Scheme

**Factsheet 6**

February 2019

## Influencing a political or government process

Any attempt by a foreign principal to influence the Australian public's opinion about its political and government processes can directly impact Australia's national interest. Activities that are inherently political in nature, such as parliamentary lobbying, are covered by the scheme. The scheme also captures activities where the purpose of the activity is not always clear. This includes activities undertaken on behalf of a foreign principal to influence any aspect of Australia's democratic system (e.g. processes of government including the creation of laws and policies, the practices of Parliament and the conduct of federal elections).

This scheme is intended to cover a wide breadth of political or government decisions, including but not limited to:

- policy decisions
- legislative processes
- regulatory decisions
- procurement decisions, and
- grant-making decisions

## Federal government decisions

Examples of federal government decisions include those made by:

- the Executive Council
- the Cabinet or a committee of the Cabinet
- a federal minister or ministers
- a Commonwealth entity (as prescribed in the Public Governance, Performance and Accountability Act 2013) or a subsidiary of a Commonwealth entity (within the meaning of that Act)
- a Commonwealth company (as prescribed in the Public Governance, Performance and Accountability Act 2013), or
- an individual in the course of performing functions related to the above.

## Influencing a process

Influence refers to the act of trying to affect or have an impact on a process, decision or outcome. This includes direct and indirect influence and is not limited by the degree of effect the activities have. It is not only influence to create change that is relevant to the scheme. It also includes influence to maintain the status quo. As such, it is the act of attempting to influence, in any way that is important.

Foreign countries may try to sway Australian Government decisions through lawful and legitimate means, such as official diplomatic negotiations. However, when a foreign country operates outside these official channels, by using a third-party representative, their attempt to influence may be concealed.

Hidden influence that is aimed at our political or governmental processes could cause the interests of a foreign principal to be promoted in Australia, to the detriment of our national interests. This is the case when foreign principals use a third party to undertake activities on their behalf in Australia, essentially concealing their involvement in the activities.

#### Example one

Country Y would like Australia to become a republic. If Australia held a referendum on this issue, Country Y wants to encourage Australian citizens to vote 'Yes' in the referendum. Country Y asks a friendly intermediary in Australia – Mr X – to distribute referendum-positive information in key cities or towns across Australia. Because it is Mr X who is undertaking the activity, Country Y's influence is not obvious to the Australian citizens who are receiving the information. This activity could impact the Australian public's opinion about how to vote in the referendum and, as a result, prioritise a foreign interest over a domestic interest, without anyone realising it. The reason for the shift in public opinion may never be attributed to Country Y, even though their influence may have affected this democratic government process.

### What does 'for the purpose of' mean?

The term 'for the purpose of' refers to the reason behind what the registrant is doing. In order to be captured by the scheme, the sole, primary or substantial reason why the registrant is undertaking the activity is to influence a political or governmental process. It is meant to clarify that those instances where an activity *coincidentally* impacts our political system or a process of government are not registrable.

### What does 'political or governmental influence' mean?

The term 'political or governmental influence' is intended to have a broad definition. It can encompass influence over any persons, entities, structures or processes that are part of Australia's federal political and governmental architecture – including a federal election or vote, a federal government decision, a proceeding of either House of the Parliament, a registered political party, an independent Member of Parliament, or an independent candidate in a federal election. This is because the act of influencing any aspect of our political and governmental architecture could result in foreign interests being prioritised over Australian interests if it is not transparent that the act is being undertaken on behalf of a foreign principal.

The scheme does not prevent people from undertaking activities on behalf of foreign principals for the purpose of influencing a political or governmental process – provided they register. Registrations will be listed on a public register so that the involvement of a foreign principal in the initiation of these activities is clear to the Australian public and government decision makers.