

# CORPORATE POLITICAL ACTIVITY AND DANGEROUS CONSUMPTIONS:

## HOW DO THE VESTED INTERESTS OF ALCOHOL, TOBACCO AND GAMBLING STEER OUR GOVERNMENTS AWAY FROM EVIDENCE- BASED PUBLIC HEALTH POLICY?

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# POLITICS AND VESTED INTERESTS

*“the alcohol industry has no role in the formulation of alcohol policies, which must be protected from distortion by commercial or vested interests” ([BMJ, 2013](#)).*

Margaret Chan, Director of the WHO



# WHY?



## What's the problem

- biased research findings that favour commercial interests at the expense of patient welfare and public health (eg Etter, 2007; Miller 2011)
- Governments failing to implement evidence-based public health interventions
  - (e.g. advertising restrictions, price increases, availability restrictions)
- Governments supporting ineffective measures (e.g. mild education, personal responsibility, advertising content)



# HOW DO THEY DO IT?

## Global problem

- Many excellent individual studies, but still a small and young field of research
- Data sources drying up



# GILMORE AND CO

1. Front Groups, 'Astro-Turfing' and social aspects and public relations organisations (SAPROs); Casting Doubt Over Science;
2. Direct and Indirect Lobbying;
3. Legal and Official Challenges;
4. Media and Publicity Campaigns;
5. Tax Arguments and Actions;
6. Company Collaborations;
7. Diversion Tactics;
8. Intimidation, and;
9. Policy substitution, 'development' and implementation.

# ADDITIONS

- ‘soft corruption’ – revolving doors
- Media as a vested interest?



## FRONT GROUPS, 'ASTRO-TURFING' AND SOCIAL ASPECTS AND PUBLIC RELATIONS ORGANISATIONS (SAPROS);

“The group’s image and reputation as an honest and open organisation have suffered recently... British American Tobacco plc needs to regain a reputation of being trustworthy .... an important contribution will also come from our reputation as a good corporate citizen.” [80] *Fooks et al-2011: from Legacy documents*





# SAPROS

## Drinkwise, Drinkaware, etc

- We are members of DrinkWise \*(CUB)
- <sup>a</sup>Lion is also a founding member of DrinkWise Australia. . .
- Woolworths fully supports the efforts and activities of DrinkWise that aim to affect generational change in the way all Australians consume alcohol.
- Gambling - Responsible Wagering Australia - Steven Conroy



## **Vested interests in addiction research and policy**

### **Alcohol industry use of social aspect public relations organizations against preventative health measures**

**Peter G. Miller, Florentine de Groot, Stephen McKenzie & Nicolas Droste**

School of Psychology, Faculty of Health, Geelong Waterfront Campus, Deakin University, Geelong, Vic, Australia

- Also increase respectability of industry
- Often promote as an independent body
- Allow an additional voice in the discussion
- Allows simply more access to different policy makers, ultimately spruiking the same measures
- Allows a circular response system with industry controlling the core messages

# CASTING DOUBT OVER SCIENCE

- Commissioning Research and Publications - Muddying the water
- Hiring Industry-friendly "Independent" "Experts"
  - Merchants of Doubt
- Selective reporting about Evidence
- Financial Incentives for Researchers



ALCOHOL AND VIOLENCE:  
EXPLORING PATTERNS AND RESPONSES

Commissioned by the  
International Center for Alcohol Policies  
2008

## Understanding behaviour in the Australian and New Zealand night-time economies

An anthropological study

by Dr Anne Fox  
*January 2015*



**International Scientific Forum on Alcohol Research**  
Examining risks and benefits of alcohol consumption  
[www.alcoholforum4profs.org](http://www.alcoholforum4profs.org)

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Expressions of  
Drunkenness  
(Four Hundred  
Rabbits)

Edited by  
Anne Fox and  
Mike MacAvey

# E.g. Professor Emmanuel Rubin

## Tobacco:

- in 2000 testimony for Philip Morris Inc. (1 p29) he stated:

“the Council for Tobacco Research was an affective (sic), efficient, generous and thoroughly honest organization that provided funds for excellent biomedical research. It acted in an independent fashion that was no different from other agencies that provided grants.”

## Alcohol:



- “physicians should counsel lifelong nondrinkers at about 40 to 50 years of age to relax and take a drink a day, preferably with dinner.”
  - No declaration of interest
- ABMRF funding/committees

# Collaborative industry/NIAAA research

- Cardio-protective values of alcohol
  - All recent independent evidence shows it is the result of poor designs
- \$80m industry
- \$20m NIAAA (National Institute Alcohol and Alcoholism)
- Many ISFAR members are investigators
  - intervention involves recommending people buy alcohol and drink it

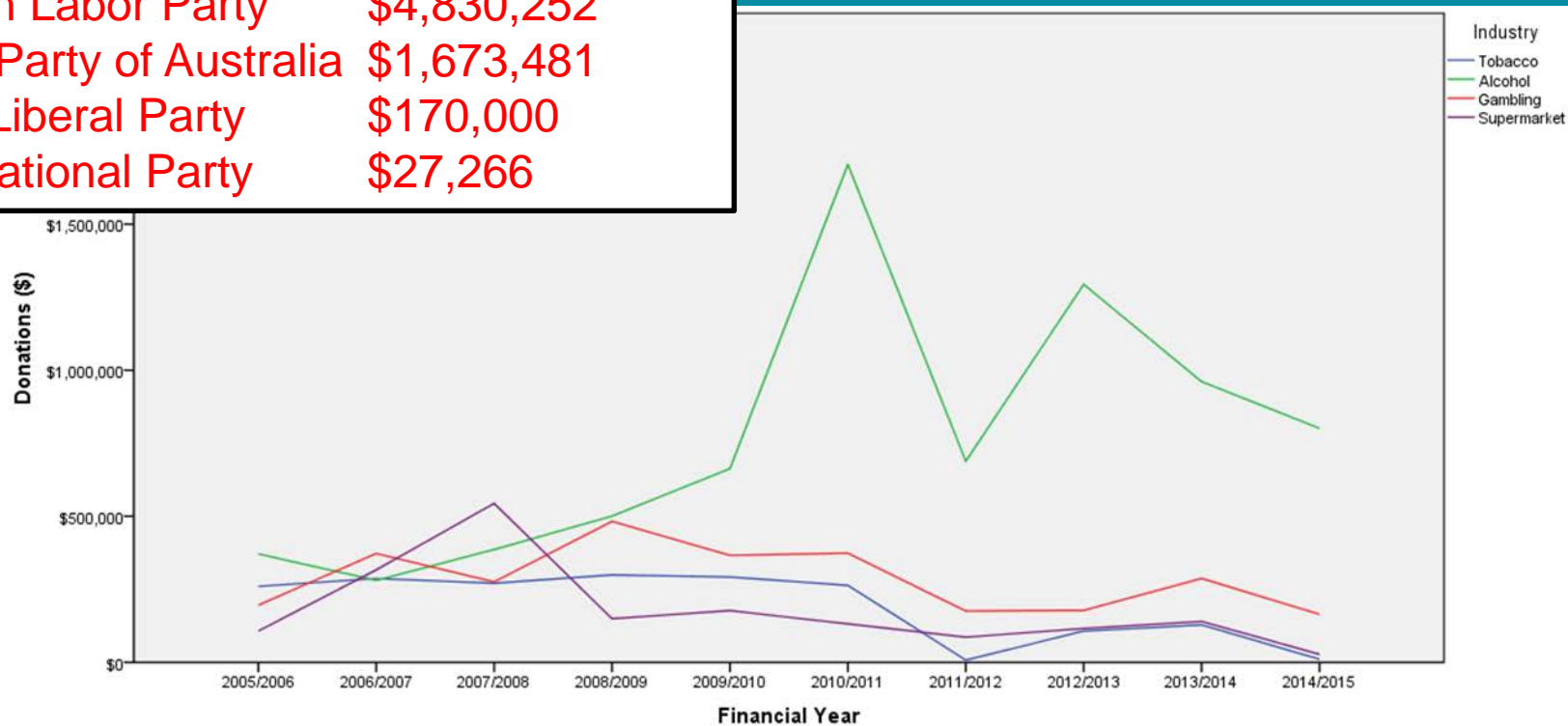




# DIRECT AND INDIRECT LOBBYING

## Political Donations

<u>Political Party</u>	<u>Total Donations Received</u>
Liberal Party of Australia	\$7,317,367
Australian Labor Party	\$4,830,252
National Party of Australia	\$1,673,481
Country Liberal Party	\$170,000
Liberal National Party	\$27,266





# DIRECT AND INDIRECT LOBBYING

## Political Donations

“We don't know the source of 49 per cent of the money received by our major parties last financial year”

“that's only to stop the disclosure so that's no good to the AHA...who are giving five million, they give it through individual pubs, so if they also give through their affiliates who also want to stay in business at no cost to them the AHA why wouldn't they?” *Ex-politician*

**NEWS**  LOCATION: Geelong, Vic [Change](#)

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### The missing millions: Political donations likened to money laundering

By political reporter [Ashlynn McGhee](#)  
Updated 1 Feb 2017, 12:10pm



# DIRECT LOBBYING

“I was asked to go along to a meeting with the AHA representative and one of what I presumed was just another person. ... I got there and I think there would have been 30 or 40 people already in the room...

We could see what they were doing at the ministerial levels and then **putting across Victoria a meeting with the local members and putting their case forward, their pressure on that way.**

Obviously as a caucus, we would meet and we would discuss those issues, having all had visits from the industry.” *ex-politician*

# DIRECT LOBBYING

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## Victory drinks for Labor branch on hotel association

Richard Baker

May 17, 2007



THE drinks were on the Australian Hotels Association when senior Labor MP Daniel Andrews, now Gaming Minister, was returned for another four years at the state election in November.

Mr Andrews' Mulgrave branch of the ALP was provided \$300 worth of alcohol by a Victorian member of the association to toast Labor's success. The parliamentary secretary for health at the time of the election, Mr Andrews was promoted to Minister for Gaming and Consumer Affairs after Labor's win.

A spokeswoman for Mr Andrews said the alcohol was donated to the Mulgrave ALP branch by a local AHA member. She said Mr Andrews had never received any fund-raising or financial support from the AHA, one of the state's most active and influential lobby groups.

Advertisement

Advertisement

# DIRECT AND INDIRECT LOBBYING

## Indirect Lobbying

- Wining and Dining
- Another form of direct lobbying is the provision of hospitality or giving of gifts to those responsible for legislation and regulation. This also includes providing funds to political campaigns.
- Indirect Lobbying
- Indirect lobbying is similar to direct lobbying except that in the case of indirect lobbying Big Tobacco employs people or organisations to lobby on their behalf.

# LEGAL AND OFFICIAL CHALLENGES

- infringements of legal rights (for example trademarks),
  - disproportionate regulation
  - body in question does not have the power to regulate,
  - that there would be an increasing number of compensation claims
- 
- e.g. tobacco industry challenged the introduction of plain packaging laws on tobacco products in Australia using copyright and fair trade legal arguments



# MEDIA AND PUBLICITY CAMPAIGNS

WHO VOTED  
FOR A LICENCE  
TO PUNT?

[ITS-UNAUSTRALIAN.COM.AU](http://ITS-UNAUSTRALIAN.COM.AU)

- Social media – the new ‘truth’
  - ‘catastrophizing’ impact
    - ‘decimating’ industry
    - Costing jobs
    - Destroying small business



# TAX ARGUMENTS AND ACTIONS

- The tobacco industry limits the possibility of tax increases by increasing prices and disguising these as tax increases.
- The tobacco industry also encourages groups supportive of higher taxes to push for alternative taxes.

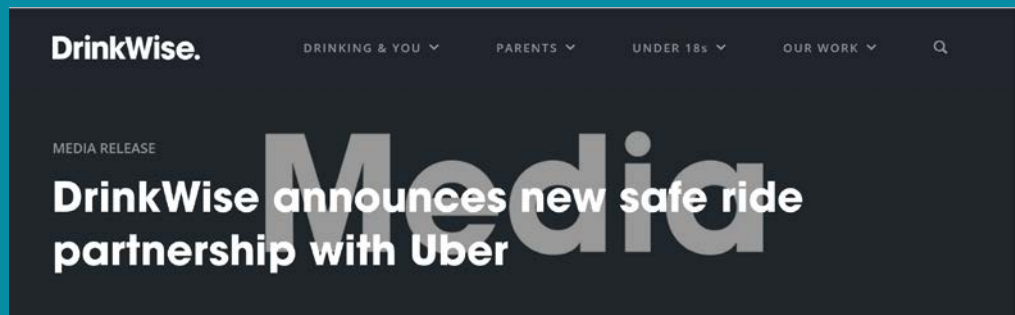
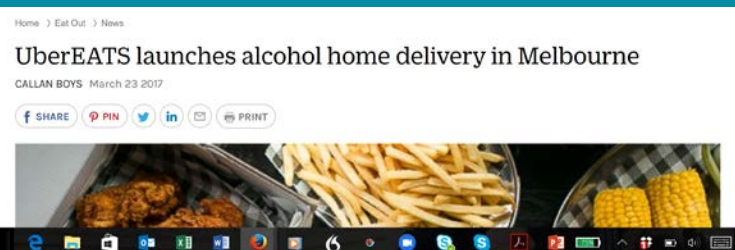
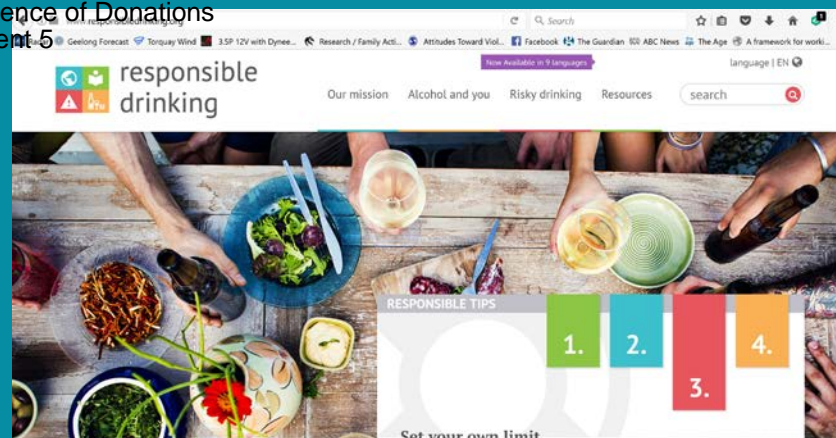
## No evidence to justify tax increase for RTDs

- DSICA believes that the advocates of change bear the burden of proof in demonstrating the need for that change.
- The 2008-09 Budget should not make any taxation changes on alcohol products unless:
  - the changes are based on the best available evidence;
  - there is broad consensus regarding that evidence;



# COMPANY COLLABORATIONS

- e.g. Portman Group, IARD/ICAP,
- ABMRF (USA)
- Winemakers Federation
- Brewers Association
- Using industry employees/staff as lobbyists
- Intelligence Gathering



# DIVERSION TACTICS

- Individual responsibility
- 'Culture Change'
- Harm reduction
- Low tar cigarettes
- Low carb beers
- Neuro-ethics
- Black market


As the Commission is aware, the Victorian Government has already announced a schedule for the implementation of a voluntary pre-commitment scheme (2010-2016) that will be mandatory for



# INTIMIDATION

## Threaten Investment Decisions

Dan Murphy's/  
Woolworths in  
the NT




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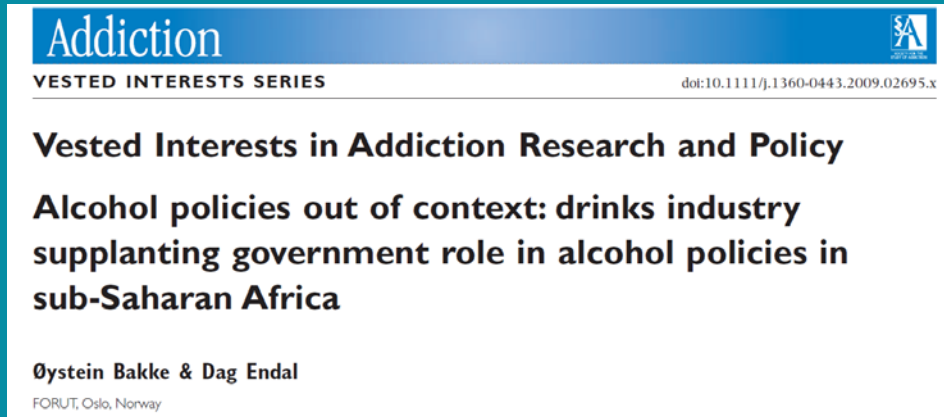
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### Federal Group accused of 'corporate blackmail' as it prepares to negotiate new casino monopoly deal

By [Rosemary Bolger](#)  
Updated 15 Dec 2015, 6:29pm



# POLICY SUBSTITUTION, 'DEVELOPMENT' AND IMPLEMENTATION



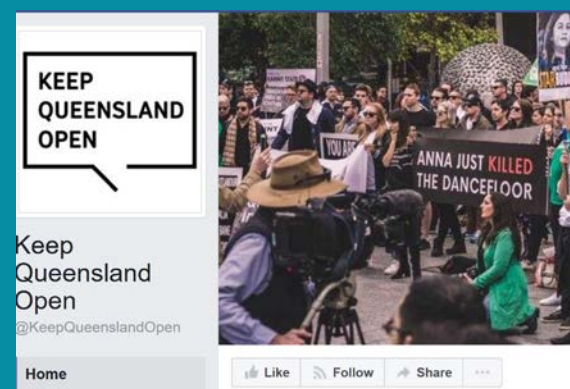
- Four countries were found to have almost identical policies
- Promoted by the brewing company SABMiller and their advocate
- Employing people of apparent repute, especially with existing government jobs



# CONSTITUENCY BUILDING

## 'Astroturfing'

- Front groups are groups that appear to be independent but they are actually controlled by a hidden parent group and are set up to serve the interests of this group



# REVOLVING DOOR

## Or 'soft' corruption

- 'you see former politicians popping up in these lobbying organisations, and the only reason they're employed is because they can wield influence, or that's the perception' *ex-politician*.

Chris Watters – Ex Qld Licensing Commission -> Director Drinkwise

Brian Kearney-Director Vic Liquor Licensing -> AHA

Justin O'Connor – Ex Qld Govt now QHA

Bob Bennett – Ex QPS, Treasury Casino

John Green, NSW Police then AHA



1 March 2017:

Minister for Revenue and Financial Services **Kelly O'Dwyer** is on the hunt for a new chief of staff. Her former COS **Julian Sheezel** — a former deputy federal Liberal Party director — has just left for Carlton & United Breweries.

2 March 2017:

- Brett Heffernan has been appointed the [Brewer's Association] new CEO.
- Mr Heffernan was Senior Media Advisor to the former Deputy Prime Minister and Leader of The Nationals Warren Truss for five years...

# MEDIA AS A VESTED INTEREST

“Why were those two newspapers running a campaign against the alcopops tax when you can beat your bottom dollar there is something going on there with the industry? That’s the Murdoch stuff and we know just for the *Herald Sun* they get \$200 million dollars annually from alcohol advertising.” *Community advocate*



# DISCUSSION

## Range of strategies from around the world

- QLD: Real-time disclosure over \$1,000
- Canada:
  - min 5 year wait between public service and related job
  - donations to political parties only allowed by people who are on the electoral roll
  - a cap on the amount an individual can make
  - Full transparency for lobbyist register



# WHAT CAN BE DONE?

## Advocacy/research responses

- Studying, naming, disseminating and engaging
- Academic/journal/university advocacy/standards
- Journalistic integrity
  - and ways to hold media to account
- Transparency
- Fact checking industry submissions to government reviews





# WHAT CAN BE DONE?

## Political responses

- Full transparency of donations to political parties
  - Incl 'associated bodies (eg Cormack Foundation (Liberal), John Curtin House Limited (Labor)).
- Ban corporate donations (The Australian Shareholders Association has called for political donating to end), OR
  - Mandatory reporting of corporate donations to political, NGOs or 'associated bodies' by Corporations in publicly available annual reports
- Better funding by the public purse for elections
- Appropriate pay and pensions for politicians
- strengthening of the ministerial codes of conduct (closing loopholes)



# CONCLUSION

- Vast array of strategies and resources='water dripping on stone'
- Holding governments accountable is key
- Clear messages about vested interests
- Calling out the strategies being used each time to media/politicians



# THANK YOU



[www.industryinsight.info](http://www.industryinsight.info)

*“...those who undertake the charge of government for the benefit of their political party while neglecting other parts of society infect the public calling with a dangerous virus...”*

Marcus Tullius Cicero, *De officiis*, lib i, cap xxv (44 BC)