

Alcohol Industry Donations to Victorian Political Parties: 2010-11 to 2012-13



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About the Foundation for Alcohol Research and Education

The Foundation for Alcohol Research and Education (FARE) is an independent, not-for-profit organisation working to stop the harm caused by alcohol.

Alcohol harm in Australia is significant. More than 5,500 lives are lost every year and more than 157,000 people are hospitalised making alcohol one of our nation's greatest preventative health challenges.

For over a decade, FARE has been working with communities, governments, health professionals and police across the country to stop alcohol harms by supporting world-leading research, raising public awareness and advocating for changes to alcohol policy.

In that time FARE has helped more than 750 communities and organisations, and backed over 1,400 projects around Australia.

FARE is guided by the World Health Organization's *Global Strategy to Reduce the Harmful Use of Alcohol** for stopping alcohol harms through population-based strategies, problem directed policies, and direct interventions.

If you would like to contribute to FARE's important work, call us on (02) 6122 8600 or email fare@fare.org.au.

This paper was prepared by Norman Thompson for the Foundation for Alcohol Research and Education (FARE).

* World Health Organization (2010). *Global strategy to reduce the harmful use of alcohol*. Geneva: World Health Organization.

Summary

- This paper examines Australian Electoral Commission (AEC) data for donations from the alcohol industry to the major Victorian political parties between 2010-11 and 2012-13.
- The current disclosure threshold for donations by the AEC is now over \$12,800.
- The alcohol industry donated \$901,829 to the major Victorian political parties between 2010-11 and 2012-13.
- The Victorian Liberals received the largest donations from alcohol industry (\$546,042), followed by Victorian Labor (\$298,107) and the Victorian Nationals (\$57,680). The Victorian Greens received no donations from the alcohol industry because they have a policy that indicates that they do not accept donations from the alcohol industry.
- More political donations were received in 2012-13 (\$406,583), when compared to 2010-11 (\$371,367) and 2011-12 (\$123,870).
- The Victorian Liberals received \$4,083,715, when including dividends and the sale of shares from alcohol interests, held by the Cormack Foundation, a Victorian Liberals entity.
- The Australian Hotels Association, Victoria (AHA) donated \$686,681 over the three years, while Crown contributed \$120,031. Together these two companies gave over 89 per cent of the known donations in this period, with 76 per cent from the AHA and 13 per cent from Crown.
- The donations from the AHA were greatest for the political party in Government. The AHA donated \$164,661 to Labor in the weeks before the 27 November 2010 Victorian State Election and the Coalition partners received \$127,500 during the same period. The polls prior to the election suggested the election would be close, but that Labor would win. After a narrow Coalition win, the shift in AHA donations to the Coalition began. By 2012-13 the Coalition received \$446,320 from the AHA compared to only \$22,700 to Labor.
- In the weeks before the November 2010 Victorian State Election, the AHA donated \$164,661 to Labor and \$127,500 to the Coalition partners.

Introduction

Contributions by companies, individuals and lobby groups to political parties have become a very contentious issue in Australia during the last decade.

A number of business people have argued strongly for the need to donate to political parties. One of the most quoted individuals on the benefits of such contributions is the past president of the Australian Hotels Association New South Wales (NSW) John Thorpe.

As Thorpe first said in 2004, "Democracy isn't cheap." He then said, "Everybody's involved with assisting political parties because at this stage we need to keep these people in place to have the democracy we have today." He went on, "Look, what helps is this — you attend as an observer, as I did at the ALP Nationals conference. Yes, it costs money. But we did get interviews with ministers, we did get interviews with staffers, and that does help us in our policies and our regulations." ¹

His Clubs NSW counterpart agrees. Former Clubs NSW Chief Executive Mark Fitzgibbon told *The Australian* in 2009 that political donations bought their lobby group government access, which it used to influence policy.²

The former Premier of Victoria, John Cain, argues that donations are potentially undermining our democracy.

Cain asks, "...why do institutions and individuals donate?" He goes on to answer,

"All of them want access and, some would say, favours. We seem to have accepted this situation provided that the donation, the giver and receiver are known; that is, that disclosure is the key.

But the driver is hunger for money by the parties. Despite public funding in the Commonwealth and some states, this hunger explains the drive only in part. Donors want the parties (and so, governments) to be beholden to them and to be preferred over their business competitors. It is a neat, cosy arrangement. It grows more blatant.

The parties in Australia now openly call for donations that provide access at rates of \$10,000 to the Prime Minister or premier. It costs less to get to see a minister." ³

Some people go even further than Cain, calling political donations bribery, especially from the alcohol industry. One person who has publicly stated that these donations are bribes is the well known anti-political donations activist and former Manly Councillor, Brad Pedersen.

In a letter to *The Sydney Morning Herald* on 25 September 2007, Pedersen summed up saying,

"The alcohol industry should be seen for what it is. They are drug pushers. They are pushing a drug that causes appalling damage in our communities. And they have systematically bribed our politicians. The time has come to seriously confront this cancer in our democracy. I suggest you phone your MP today and tell them if they do not immediately bring forth a private member's bill into Parliament to ban political donations from the alcohol industry, then you will conclude they are part of the problem and vote accordingly." ⁴

At the very least, contributions to political parties can give the donor important access to politicians, especially at fundraising events and if the donations are large.

This paper examines the donations from the alcohol industry to the major Victorian political parties between 2010-11 and 2012-13. The purpose of this analysis is to examine which companies and lobby groups from the alcohol industry are the largest contributors to the political parties.

Approach to the analysis

In order to uncover the donations to the Victorian parties, data from the Australian Election Commission (AEC) was examined. AEC data was used because, unlike several other states (NSW and the Australian Capital Territory (ACT)), Victoria doesn't have its own disclosure of electoral funding scheme.

There are major limitations to AEC data because of the high disclosure threshold. In 2005 the Howard Government raised the disclosure threshold of donations from \$1,500 to over \$10,000, and linked the threshold to the Consumer Price Index (CPI). Subsequently, the current disclosure threshold is now over \$12,800.

This means that political parties and those entities associated with the party only have to disclose individual donations of over \$12,800 this financial year. All smaller contributions are rarely publicly seen on parties' returns to the AEC.

Donors must submit a return to the AEC if the aggregated total of donations exceeds the threshold. In these returns, they must identify all of their donations regardless of the amount. However, no donor has been fined for failing to submit a return since the mid-1990s. This lack of enforcement provides even less of an incentive to file donors' forms.

AEC data was sourced for donations from the alcohol industry to the major Victorian political parties for the three financial years between 2010-11 and 2012-13. The political parties included in this analysis were the Victorian branches of the Liberal Party of Australia (Liberals), the National Party of Australia (Nationals), the Australian Labor Party (Labor) and the Victorian Greens (Greens).

It is important to note that 2010-11 was the year of the last Victorian election, and 2012-13 covers some donations received by the Victorian parties for their campaigns in the September 2013 federal election.

Findings

The total contributions to the three political parties that currently have members in the Victorian Parliament are given in Table 1. A more detailed breakdown of the companies and lobby groups that made these donations can be seen in Appendix 1.

Table 1: Total alcohol industry donations

Party	2010 - 2011	2011 - 2012	2012 - 2013	Total
Labor	212,972	40,385	44,750	298,107
Liberals*	108,404	83,485	354,153	546,042
Liberals	691,049	2,482,551	910,115	4,083,715
Nationals	50,000	0	7,680	57,680
Greens	0	0	0	0
Total *	371,376	123,870	406,583	901,829

*Excludes money from the Cormack Foundation which is an associated entity of the Liberals

Table 1 demonstrates that the total contribution of political donations from the alcohol industry to the major political parties was \$901,829 between 2010-11 and 2012-13. The Liberals received the largest donations from alcohol industry donors (\$546,042), followed by Labor (\$298,107) and the Nationals (\$57,680).

The Greens received no donations from the alcohol industry. Currently it is Greens policy not to accept such donations. Typically the Greens receive most of their contributions for individuals and the Electrical Trades Union.

Table 1 also demonstrates that more political donations were received in 2012-13 (\$406,583), when compared to 2010-11 (\$371,367) and 2011-12 (\$123,870).

Table 1 includes two totals for the Liberals. The larger figure includes donations from the *Cormack Foundation*, which was established to manage the proceeds received from the sale of Melbourne's radio station 3XY in 1988 by the Victorian Liberals. It has invested the money from this sale and since 1990-00 has reported contributing \$27 million to the Victorian Liberals.⁵

The largest portion of the money that flowed into the Liberals in 2011-12 from the *Cormack Foundation* was most likely from a sale of their shares in Foster's Group (over \$1.9 million). Foster's was sold to Anglo-South African brewery company SABMiller in September 2011.

Much of the other money comes from dividends of companies with large alcohol interests such as Woolworths and Wesfarmers.

It is difficult to say that receiving large amounts of dividend money from companies in which the *Cormack Foundation* holds shares has any impact on party policies or governmental decisions within any division of the Liberals. A number of people have argued that it does have potential impacts, especially Stephen Mayne.^{6,7} Mayne is a shareholder activist who is a Councillor on the Melbourne City Council and editor of the Mayne Report.⁸

Donations excluding those to the *Cormack Foundation* were mainly from the Australian Hotels and Hospitality Association or Australian Hotels Association (Victoria) (AHA) and Crown Limited in Melbourne. The AHA donated \$686,681 during the three years, while Crown contributed \$120,031. These two companies gave over 89 per cent of the known donors with major alcohol interests during these years, with 76 per cent from the AHA and 13 per cent from Crown.

The only hotel company that has been identified among donors was the Australian Leisure and Hospitality Group (ALH) which is 75 per cent owned by Woolworths. This is surprising since states that have their own electoral funding disclosures schemes with much lower disclosure thresholds report many more hotel companies contributing to parties in their states.

The fact that only one hotel was identified in the Victorian data could be due to a number of reasons. The disclosure threshold is very high and various hotels may have contributed amounts less than the threshold. Also perhaps most hotels expect donations will come directly from the AHA. Another suggested factor could be that the major parties actively coach contributors on how to avoid disclosure.⁹

There is evidence that parties coach donors on ways to avoid being identified or that donors attempt this on their own. At a large AHA (NSW) dinner for the Labor Party before the 2007 NSW State Election, 21 hotel companies paid \$9,999 each to attend.¹⁰ At the time the disclosure threshold was over \$10,000. They may have been unaware their contribution would be identified later by the NSW Election Funding Authority who introduced a disclosure threshold of \$1,500.

What this all means is that the amounts included in this report are likely to be a significant underestimate of the actual donations being given to the major parties in any state or territory, including Victoria.

Discussion

From previous research, it is known that donors typically either give to the party in power or the one they expect to win the next upcoming election.

Appendix 1 demonstrates that the AHA donated \$164,661 to Labor in the weeks before the 27 November 2010 Victorian state election. The Coalition partners received \$127,500 during the same period. The polls prior to the election suggested the election would be close, but that Labor would win.¹¹ The AHA seems to have responded to the polls by donating more to Labor than the Liberal-National Coalition.

After a narrow Coalition win, the shift in AHA donations to the Coalition began. By 2012-13 the Coalition received \$446,320 from the AHA compared to only \$22,700 to Labor. The donations followed the Government in power.

The AHA in many states has had much influence over governmental policy. One of the best researched examples is in NSW.

The AHA (NSW) has received many benefits from the NSW Government over the past years that have greatly enriched its members. These include allowing gaming machines in hotels (which increased the earnings of many publicans), long delays to introducing non-smoking areas in hotels due to pressure from that industry, and expanding the granting of controversial extended trading hours.¹²

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Appendix 1: Detailed breakdown of donations from the alcohol industry to Victorian Political Parties

Alcohol industry donations to Victorian Nationals 2010-11 - 2012-13						
Federal Disclosure Threshold	\$11,500.00	\$11,900.00	\$12,100.00			
Donor	2010 - 2011	2011 - 2012	2012 - 2013	Date Donation	Date Donation	Total
Hotels						
Australian Hotels & Hospitality *	\$50,000.00		\$1,100.00	26/10/2010	11/10/2012	
Australian Hotels & Hospitality *			\$1,100.00		23/10/2012	
Australian Hotels & Hospitality *			\$200.00		28/03/2013	
Australian Hotels & Hospitality *			\$1,480.00		5/04/2013	
Australian Hotels & Hospitality *			\$1,500.00		6/05/2013	
Australian Hotels & Hospitality *			\$440.00		9/05/2013	
Australian Hotels & Hospitality *			\$1,000.00		23/05/2013	
Australian Hotels & Hospitality *			\$750.00		7/06/2013	
Total Aust Hotels & Hospitality	\$50,000.00		\$7,570.00			\$57,570.00
Total Hotels	\$50,000.00		\$7,570.00			\$57,570.00
Alcohol Outlets/Hotels						
Woolworths Ltd *			\$110.00		20/03/2013	\$110.00
Total Woolworths Ltd			\$110.00			\$110.00
Total Alcohol Outlets/Hotels			\$110.00			\$110.00
Grand Total	\$50,000.00		\$7,680.00			\$57,680.00

* From Donors' Forms Submitted to the AEC

**Alcohol industry donations to Victorian Liberals
2010-11 - 2012-13**

Federal Disclosure Threshold		\$11,500.00	\$11,900.00	\$12,100.00		
Donor	2010 - 2011	2011 - 2012	Date Donation	2012 - 2013	Date Donation	Totals
Hotels						
Australian Hotels & Hospitality *	\$50,000.00	\$1,000.00	27/10/2010	\$750.00	24/07/2012	
Australian Hotels & Hospitality *	\$20,000.00	\$25,000.00	15/11/2010	\$45,000.00	22/08/2012	
Australian Hotels & Hospitality *	\$7,500.00	\$25,000.00	31/05/2011	\$1,000.00	25/10/2012	
Australian Hotels & Hospitality *		\$4,000.00		\$500.00	20/11/2012	
Australian Hotels & Hospitality *				\$8,000.00	22/11/2012	
Australian Hotels & Hospitality *				\$100,000.00	10/01/2013	
Australian Hotels & Hospitality *				\$50,000.00	4/03/2013	
Australian Hotels & Hospitality *				\$100,000.00	25/03/2013	
Australian Hotels & Hospitality *				\$1,000.00	23/05/2013	
Total Aust Hotels & Hospitality	\$77,500.00	\$55,000.00		\$306,250.00		\$438,750.00
ALH Group *	\$10,000.00		18/08/2010	\$1,000.00	20/09/2012	
ALH Group *	\$4,480.00		24/09/2010	\$1,075.00	21/02/2013	
ALH Group *	\$4,000.00		19/10/2010	\$2,625.00	15/11/2012	
ALH Group *	\$2,124.00		8/11/2010			
ALH Group *	\$3,000.00		10/11/2010			
ALH Group *	\$4,000.00		27/05/2011	\$4,700.00		\$32,304.00
Total ALH Group	\$27,604.00					
Total Hotels	\$105,104.00	\$55,000.00		\$310,950.00		\$471,054.00
Clubs						
Clubs NSW *				\$1,500.00	12/03/2013	
Clubs NSW *				\$3,000.00	14/05/2013	
Total Clubs NSW				\$4,500.00		\$4,500.00
The Australian Club				\$17,973.00	NA	
Total Australian Club				\$17,973.00		\$17,973.00
Total Clubs				\$22,473.00		\$22,473.00

Donor	2010 - 2011	Date Donation	2011 - 2012	Date Donation	2012 - 2013	Date Donation	Totals
Alcohol Outlets/Hotels							
Woolworths Ltd *			\$25,000.00	20/02/2012	\$8,000.00	24/05/2013	
Woolworths Ltd *			\$1,200.00	27/02/2012			
Woolworths Ltd **	\$55,800.00	NA			\$33,500.00	NA	
Woolworths Ltd **	\$51,300.00	NA			\$31,000.00	NA	
Woolworths Ltd **	\$107,100.00		\$26,200.00		\$7,098.00	NA	\$212,898.00
Total Woolworths Ltd					\$79,598.00		
Wesfarmers Ltd **	\$197,125.00	NA	\$436,491.00	NA	\$267,527.00	NA	
Wesfarmers Ltd **	\$183,045.00	NA			\$216,837.00	NA	
Total Wesfarmers Ltd	\$380,170.00		\$436,491.00		\$484,364.00		\$1,301,025.00
Total Alcohol Outlets/Hotels	\$487,270.00		\$462,691.00		\$563,962.00		\$1,513,923.00
Alcohol Producers							
Fosters Group Ltd **	\$53,375.00	NA	\$1,890,000.00	NA			
Fosters Group Ltd **	\$42,000.00	NA	\$46,375.00	NA			
Total Fosters Group Ltd	\$95,375.00		\$1,936,375.00				\$2,031,750.00
Total Alcohol Producers	\$95,375.00		\$1,936,375.00				\$2,031,750.00
Casinos							
Crown Limited *	\$2,200.00	30/06/2011	\$300.00	26/10/2011	\$500.00	31/07/2012	
Crown Limited *	\$1,100.00	14/07/2010	\$3,185.00	26/10/2011	\$550.00	8/11/2012	
Crown Limited *			\$25,000.00	24/02/2012	\$9,900.00	1/01/2013	
Crown Limited *					\$1,500.00	1/03/2013	
Crown Limited *	\$3,300.00		\$28,485.00		\$280.00	8/05/2013	\$44,515.00
Total Crown Limited					\$12,730.00		
Total Casinos	\$3,300.00		\$28,485.00		\$12,730.00		\$44,515.00
Grand Total	\$691,049.00		\$2,482,551.00		\$910,115.00		\$4,083,715.00
Grand Total							
Excluding Cormack Foundation	\$108,404.00		\$83,485.00		\$354,153.00		\$546,042.00

* From Donors' Forms Submitted to the AEC

** From The Cormack Associated Entity returns to AEC

Alcohol industry donations to Victorian Labor
2010-11 - 2012-13

Federal Disclosure Threshold		\$11,500.00	\$11,900.00	\$12,100.00			
Donor	2010 - 2011	Date Donation	2011 - 2012	Date Donation	2012 - 2013	Date Donation	Totals
Hotels							
Australian Hotels & Hospitality *	\$3,000.00	29/09/2010			\$15,000.00	2/07/2012	
Australian Hotels & Hospitality *	\$100,000.00	8/10/2010			\$1,000.00	11/09/2012	
Australian Hotels & Hospitality *	\$1,000.00	11/10/2010			\$4,700.00	8/04/2013	
Australian Hotels & Hospitality *	\$50,000.00	3/11/2010			\$2,000.00	8/05/2013	
Australian Hotels & Hospitality *	\$10,000.00	23/11/2010					
Australian Hotels & Hospitality *	\$3,661.00	7/03/2010					
Total Aust Hotels & Hospitality	\$167,661.00				\$22,700.00		\$190,361.00
ALH Group *	\$990.00	1/07/2010	\$1,100.00	27/07/2011			
ALH Group *			\$11,000.00	8/11/2011			
ALH Group *			\$990.00	15/02/2012			
ALH Group *			\$1,650.00	18/05/2012			
Total ALH Group	\$990.00		\$14,740.00			\$	\$15,730.00
Total Hotels	\$168,651.00		\$14,740.00		\$22,700.00		\$206,091.00
Wine Exporters							
GNT International **					\$16,500.00	NA	\$16,500.00
Total GNT International					\$16,500.00		\$16,500.00
Total Wine Exporters					\$16,500.00		\$16,500.00

Donor	2010 - 2011	Date Donation	2011 - 2012	Date Donation	2012 - 2013	Date Donation	Totals
Casinos							
Crown Limited	***		\$990.00	18/07/2011			
Crown Limited	***		\$1,100.00	11/08/2011			
Crown Limited	***		\$55.00	18/08/2011			
Crown Limited	*	6/07/2010	\$750.00	20/10/2011	\$550.00	1/11/2012	
Crown Limited	***		\$1,650.00	1/12/2011			
Crown Limited	*	27/07/2010	\$20,000.00	29/02/2012	\$5,000.00	27/06/2013	
Crown Limited	***		\$550.00	26/04/2012			
Crown Limited	***		\$550.00	9/05/2012			
Crown Limited	*	13/08/2010	\$990.00				
Crown Limited	*	19/08/2010	\$561.00				
Crown Limited	*	24/08/2010	\$1,650.00				
Crown Limited	*	24/08/2010	\$5,000.00				
Crown Limited	*	5/10/2010	\$1,485.00				
Crown Limited	*	8/10/2010	\$1,200.00				
Crown Limited	*	20/10/2010	\$303.00				
Crown Limited	*	8/11/2010	\$2,500.00				
Crown Limited	*	15/11/2010	\$25,000.00				
Crown Limited	*	23/11/2010	\$2,200.00				
Crown Limited	*	2/12/2010	\$55.00				
Crown Limited	*	31/03/2011	\$77.00				
Total Crown Limited			\$44,321.00		\$5,550.00		\$75,516.00
Total Casino			\$44,321.00		\$5,550.00		\$75,516.00
Grand Total			\$212,972.00		\$44,750.00		\$298,107.00

* From Donors' Forms Submitted to the AEC

** From the Progressive Business

Association Associated Entity Return (an ALP Victorian Branch associated the AEC entity)

*** From Donor's form, but given to Victorian ALP through the Progressive Business Association



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