

SUBMISSION TO THE JOINT STANDING COMMITTEE ON ELECTORAL MATTERS' INQUIRY INTO THE 2007 FEDERAL ELECTION.



Background

The Cancer Council Victoria (“TCCV”) is a non-profit organisation involved in cancer research, education and support. It is the largest non-government provider of cancer research funds in Victoria and has been leading the fight against cancer since 1936. A key initiative of TCCV and its partners is the Tobacco Control Unit (comprising Quit Victoria and the VicHealth Centre for Tobacco Control).¹ The Tobacco Control Unit conducts research and advocates for policy, legislative and regulatory reform aimed at reducing rates of tobacco use and tobacco related harm in Australia.

TCCV welcomes the opportunity to provide a written submission to the Joint Standing Committee on Electoral Matters (“JSCEM”) for the purposes of its Inquiry into the 2007 Federal Election. We understand that the *Commonwealth Electoral Amendment (Political Donations and other Measures) Bill 2008* has been referred by the Senate to the JSCEM for inquiry and report by 30 June 2009. The TCCV supports the proposals contained in the Bill to reduce the donations disclosure threshold to \$1000 (non-indexed) and to strengthen the disclosure obligations of candidates and political parties.

The purpose of our submission is to encourage the JSCEM to recommend a ban on the acceptance of political donations from tobacco companies. We make this submission, noting that in the 2006-2007 financial year, Annual Returns lodged with the Australian Electoral Commission show that British American Tobacco Australia donated approximately \$161,409 to the National and state divisions of the Liberal Party of Australia, and Philip Morris Ltd made donations of approximately \$90, 950.¹

Political donations and tobacco companies

Concerns are often expressed by members of the community about the making and acceptance of political donations by corporations and other organisations. The concern most often expressed is that, through donations, corporations and organisations are able to obtain access to politicians that they would not otherwise enjoy, and that ordinary members of the community do not enjoy, and that, through such access, they are able to exert a disproportionate influence on the political process.

Corporations and organisations often defend their donations to candidates and political parties on the basis that they have the right to promote their interests and influence the political process like any other group or individual. They argue that the giving of donations is merely one lobbying tool available to any corporation, group or individual and that the involvement of business in the political process is a sign of a strong democracy.

While TCCV does not object to corporations and other organisations participating in the political process, contributions by such organisations – whether financial or of other kinds –

¹ The Tobacco Control Unit is a joint initiative of TCCV, The Department of Human Services, The National Heart Foundation and VicHealth.

invariably give rise to questions about the relationship between money and influence. These questions take on a particular resonance in the case of tobacco companies.

The tobacco industry is an industry like no other. Tobacco companies produce and market products that are addictive, kill about half of all lifetime users when used exactly as intended², and have no safe level of use. Tobacco products cause death and disease not only to their users, but also to those exposed to secondhand smoke. The overwhelming majority of the tobacco industry's customers commence using their products in childhood, and the overwhelming majority would prefer not to be using their products but continue to do so primarily because of addiction. Tobacco kills approximately 15,500 Australians prematurely each year and continues to cost the Australian community over \$31 billion a year.^{3,4} Notwithstanding this, the goal of the tobacco industry is, of course, to maximize its profits. As Philip Morris' CEO, Geoffrey Bible, wrote to shareholders in 1995, "our one all-consuming ambition is to create wealth for the owners of Philip Morris."⁵

Unlike other industries, there is no space in which the interests of tobacco companies coincide with those of the rest of the community. There is no safe level of tobacco use. Most tobacco use occurs because of addiction. Every dollar of profit to tobacco companies imposes costs – both individual and social – on the rest of the community. Any influence tobacco companies can bring to bear on the policy process benefits them and costs the rest of the community.

The acceptance of political donations from tobacco companies also assists them in their efforts to create a perception of legitimacy. This has always been vitally important to tobacco companies, which are eager to portray themselves as 'ordinary' companies, rather than companies that profit by selling addictive products that cause death and disease on a massive scale.

The WHO Framework Convention on Tobacco Control

Australia is a Party to the WHO Framework Convention on Tobacco Control ("FCTC"), the first treaty negotiated under the auspices of the World Health Organization. The objective of the FCTC (Article 3) is "to protect present and future generations from the devastating health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke..." Parties to the Convention have committed under Article 5.3 to protecting their 'public health policies with respect to tobacco control ... from commercial and other vested interests of the tobacco industry in accordance with national law'. Article 5.3 is understood as applying primarily to the processes by which tobacco policy-making is made by governments.

At the third session of the Conference of the Parties to the Convention, to be held in Durban, South Africa, in November 2008, Parties will be considering the adoption of guidelines on the implementation of Article 5.3. Draft guidelines, which have been developed by a working group of Parties to the Convention will be released at least 60 days before the session. It is expected that the draft guidelines will include recommendations to ban political contributions by tobacco companies.

Australia is a well-regarded member of the FCTC Conference of the Parties, exercising leadership both through its domestic tobacco control laws and policies and through its constructive participation in the work of the Conference of the Parties. The introduction of a ban on political donations by tobacco companies would further Australia's international leadership.

Recommendation on direct donations

We would encourage the JSCEM to recommend that the Commonwealth introduce a total ban on the acceptance of political donations from tobacco companies. This ban should apply to all candidates, members of Parliament and political parties.

Recommendation on indirect donations

We would also encourage the JSCEM to give careful consideration to the ways in which tobacco companies may attempt to channel contributions to candidates, members of Parliament and political parties, particularly if a ban on direct donations is introduced. If tobacco companies are simply able to use intermediaries or “front organizations” to make donations, or resort to other similar techniques, a ban may be of limited effect.

For example, there is evidence to suggest that in at least some Australian states, tobacco companies provide financial and strategic support to the Australian Hotels Association (“AHA”).⁶ If the AHA and its affiliates continue to make donations to political parties following the introduction of a ban on donations from tobacco companies, and to advance tobacco companies’ interests, these donations have the potential to undermine the effectiveness of a ban and permit a perception that tobacco companies continue to buy access to government.

We would therefore encourage the JSCEM to recommend either a ban on such contributions by the tobacco industry to third parties or at least a requirement that any individual or entity that makes a donation within a reporting period disclose any funds received from tobacco companies.

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