Measuring influence: an analysis of Australian gambling industry political donations and policy decisions

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Gambling and Social Determinants Unit
Theoretical frameworks

Figure 2 Links in the political chain

Adams, 2016
Theoretical frameworks

Commercial determinants of health

Figure: Dynamics that constitute the commercial determinants of health

Kickbusch, Allen, and Franz (2016)
Gambling and gambling harm in Australia

- Heaviest losses per capita from gambling
- Concentrated in areas of social stress (EGMs)
- Systematic nature of gambling harm
- Responsible gambling approach
- In the aggregate, harms are concentrated amongst the ‘low’ and ‘moderate’ risk gamblers

The Economist, 2016
Political donations in Australia

- ‘Laissez-faire system of political finance’, (Tham, 2010)
- State and Federal regimes
- Lacks transparency and doesn’t allow for informed voting
- Highly dependent on donations (60-70% of election funding)
- Much advocacy for reforms
Politicians rolling in secret pokies cash lost by their own constituents

12 July 2017, 20:00 GMT+10

What Did Sheldon Adelson Get for His $200 Million?

The casino owner is still looking for a return on his big political donations.

By Christopher Palmeri

Betting companies top the list of donations to MPs
Ladbrokes Coral appears 15 times in the most recent list of donations to MPs

Gambling donations approach $2 million and that’s before looking at the dark money
Motivation for donations

- Political expression
- Access
- Relationship building
- Influence policy/agenda setting
Q: Do you think they listen to you because you give good donations?

A: Look, democracy’s not cheap. Democracy’s not cheap…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 – Jon Thorpe, President of the NSW branch of the Australian Hotels Association (Walker, 2004)

I have no doubt it had some influence…supporting (the ALP’s) fundraising helped our ability to influence people – Mark Fitzgibbon, former head of ClubsNSW (Tham, 2010)
Study aim and research question

- To describe and analyse the pattern of disclosed political donations received by Australian politicians and political parties from major gambling industry actors and so far as possible assess their impact on current gambling regulation.

- What is the evidence that gambling industry political donations are related to or associated with policymaking decisions?
Methods

- Sourced gambling industry donation data from 1998-2016 from the Australian Electoral Commission (AEC) website

- Donations were classified according to donor and recipient and analysed to provide descriptive statistics

- Identified donations that were earmarked for specific campaigns, politicians or events

- As noted by Rowbottom (2016), a similar method has been used in several studies to identify ‘patterns of corruption’ in the UK and US
ClubsNSW and Australian Hotel Association (AHA) donations
ClubsNSW and AHA background

- ClubsNSW members operate around 70,000 EGMs
- Emphasise ‘community benefits’
- Well-resourced and politically organised
- Consistent political contributions

- AHA – represents both the hospitality and liquor industry, branches in each state and territory and a national office

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*Pokies chiefs learnt straight-shooting skills from powerful US gun lobby*

Heath Aston
ClubsNSW distribution of donations
Major policy events and industry response 2010 - 2015

- The (attempted) introduction of the Gillard-Wilkie reforms
- Nearly $4 million disclosed as political expenditure for ClubsNSW campaign (large contributions from AHA)
- Donations to Victorian-based Menzies 200 associated entity – Kevin Andrews MP
- ClubsNSW Memoranda of Understanding agreements
A number of individual politicians, or their re-election campaigns, were substantial beneficiaries of ClubsNSW’s largesse after 2010. These included the Coalition’s Craig Laundy ($20,000), Craig Kelly ($6,500), Bob Baldwin ($4,000), and Luke Hartsuyker ($3,000). On the Labor side, the recipients included Joel Fitzgibbon ($8,500), Jason Clare ($9,250), Chris Bowen ($3,700) and Mike Kelly ($3,000).

And a donation of $50,000 went directly to a Gold Coast PO box, naming then-Liberal Party federal director Brian Loughnane, in 2011-12.
The Federal Hotel Group political donations
The Federal Hotel Group background

- Maintained a monopoly over the operation of all EGMs in Tasmania since 1993
- Annual profits grew from $600,000 in 1993 to $29 million in 2003
- In 2015-16 EGMs made over $113 million
- Federal Group has recently launched a campaign in response to Labor’s commitment to remove EGMs from pubs and clubs

Gambling giant Federal Group launches campaign against Labor’s pokie policy

By Emilie Gramenz
Updated 19 Jan 2018, 3:43pm
The Federal Hotel Group donations

- 49% of donations to the Tas ALP, 47% to the Tas LNP

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<td>ALP TAS branch</td>
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<td>Lib TAS division</td>
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<td>The Free Enterprise Foundation</td>
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<td><strong>TOTAL</strong></td>
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Source: Australian Electoral Commission
The Federal Hotel Group distribution of donations

The Federal Hotel Group

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Canberra Labor Club – Labor Party Associated entity

- Fundamental donor for the ACT branch of the Australian Labor Party

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<td><strong>$5,254,671</strong></td>
<td><strong>$9,322,687</strong></td>
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Source: Australian Electoral Commission
Conclusions

- Significant and consistent donors to both ALP and the Coalition (also noted the first donation to the One Nation party this year…)

- Evidence of temporal relationships between donations and relevant policy decisions and the high level of access maintained between industry actors and government

- Greater understanding of the influence of the gambling industry

- Further highlights the conflict of interest for government related to gambling policy and the ‘corrupting effect’ of industry dollars on relevant policy making

- Need for political donations reform!
Acknowledgements

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References


