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TITLE: PR spin is big business

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When politicians lie, make things up or simply get important things wrong, we take for granted that it is the role of their political opponents to highlight such errors. Indeed, so focused are our politicians on each other's words that a mere slip of the tongue can become a news story for days. This isn't so for industry groups.

As big businesses spend more and more money on advertising aimed at pressuring politicians and persuading voters, it is important to recognise that while it is illegal to mislead customers, there is no law against lying to voters.

This week the Australian Petroleum Production and Exploration Association, the gas industry peak body, launched a \$5 million advertising campaign claiming that its industry boosted employment in Australia by 100,000 last year. According to the Bureau of Statistics, the figure was 9400.

The mining industry has spent millions more on a campaign to convince Australians that not only did it get us through the global financial crisis, but that every person it employs creates three jobs elsewhere in the economy. According to Treasury, if every industry had sacked workers as fast as the miners did during the crisis, our unemployment rate would have hit 19 per cent.

Minerals Council of Australia Chief Mitch Hooke has publicly stated that the industry he promotes was the biggest employer of indigenous Australians. The ABS tells us that the health sector employs four times more indigenous workers than the mining industry and that mining actually ranks 10th out of 19 in terms of indigenous employment.

While taxpayers provide our politicians with hundreds of staff to comb through the speeches, tweets and Facebook pages of their rivals, there is no such funding for the scrutiny of corporate players.

When small organisations like my own have the audacity to highlight the disparity between what the industries claim and what the bureau's statistics show, we are called "ideological" or "anti-mining" or "left leaning". The fact that pointing to the disparity between independently collected

data and the PR spin of a global corporation can in any way be described as "ideological" shows just how removed from reality the political debate in Australia has become. But the spin and the messenger shooting works.

Research by The Australia Institute shows that despite the fact the mining industry employs about 2 per cent of the workforce, the public thinks that number is closer to 10 per cent. In Tasmania, the ABS tells us that about 1 per cent of the workforce is employed in forestry or logging. But a survey of Tasmanians reveals they think 20 per cent of their workforce is employed in that industry.

Just as brands spend a small fortune telling us how popular, fashionable or stylish their products are, our industry bodies seek to turn millions of dollars' worth of political advertisements into billions of dollars' worth of profits.

The mining industry reportedly spent about \$20 million on advertisements attacking the Rudd government's mining tax. The second version of the mining tax it negotiated with the Gillard government saved it about \$80 billion.

Of course, the success of big business in distorting our public debate in its favour is not solely the result of its advertising budget. Political advertising is simply the most visible part of a broader strategy to shift the public's attention away from the enormous profits and executive salaries and onto their "contribution".

The second tactic is to make a big deal out of their "investments" in "their communities". Whether corporate social responsibility is central to the "corporate ethics" of mining companies who insist on building mines near communities that don't want them, is debatable. But it is crystal clear that corporate social responsibility is central to their marketing strategies. Indeed, they may spend millions on advertisements telling us about the hundreds of thousands they spent on some facilities for their workers that they sometimes let the locals use. If they cared about the community they would scrap the ads and give the money they save to the communities they profess to care about.

Thirdly, if they are forced to talk about profit, they always tell us about how "mum and dad" investors receive the enormous benefits. Apparently, the fact that two-thirds of Australians have some money in superannuation is supposed to help us overlook the fact that the wealthiest 10 per cent of Australians receive 64 per cent of all income from shares, while the bottom 20 per cent gets virtually nothing.

Which leads me to the most important reason that big business has been so effective in convincing our politicians and the broader public that what is good for their profitability, is good for the country: they are perfectly happy to say one thing and do another. Just as junk food manufacturers are willing to spend money on public health campaigns while simultaneously insisting on the right to advertise junk food during kids' TV shows, so too are our business lobby groups willing to call for reduced government spending while asking for more corporate welfare.

Our business leaders say Australia needs less regulation while privately demanding that their industry needs further protection from competition. They pretend to care about freedom of speech, while pursuing those who "harm their brands" through the courts.

But the clearest evidence that our business leaders don't mean a word of what they say came on Wednesday. Coincidentally, the Business Council of Australia issued its blueprint for fiscal restraint and economic reform on the same day the Rudd government announced its promise to not reform superannuation for at least five years.

According to Treasury, superannuation tax concessions will cost the federal budget \$35 billion this year. They are not only one of the most expensive areas of policy, they are the fastest growing. If the health budget was growing by 12 per cent a year the outcry from business would be ear-splitting, but it is the silence on the "unsustainability" of the cost of superannuation that is deafening.

Could the silence be because the wealthiest Australians are taking in the tax concessions from super while the poor get literally nothing? Could it be that the industry makes more than \$20 billion a year in fees from a product we are compelled to purchase from them? Given the business community's concern with red tape and regulation it seems strange that the banks don't howl against governments that would force us to spend 9 per cent of our income buying their very profitable financial products.

Despite the fact that over the next five years tax concessions on superannuation will cost the Commonwealth more than \$225 billion, this week the Rudd government promised to introduce no reforms and do nothing to rein in the rapidly rising cost. And it did this on the same day the business council was calling for reduced government spending and a commitment to reform. As big business spends more on advertising and PR, our public debate is going to diverge further from reality, unless we find a way to balance out the debate. Coca-Cola isn't really committed to fighting obesity, the Pond's Institute doesn't really do research, and big business isn't really interested in helping the poor. But then again, I would say that. I'm an ideologue. The only people you can really trust work in corporate PR.

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