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LATELINE.

The tobacco files

Australian Broadcasting Corporation

Broadcast: 10/09/2010

Reporter: Peter Lloyd

Lateline has obtained evidence that big tobacco companies are driving a campaign which claims to be run by shopkeepers opposed to plain cigarette packaging.

Transcript

LEIGH SALES, PRESENTER: In August, Lateline revealed the existence of a tobacco industry-funded campaign against a looming ban on logos and branding on cigarette packets.

From 2012, cigarettes will be sold in plain standardised packages carrying large graphic warnings against smoking

It's a world-first, hailed by anti-smoking advocates.

Following our story, we received a stack of documents which appear to be internal emails, invoices and contracts outlining the precise nature of the involvement of the biggest tobacco company of them all, Philip Morris, and two other tobacco giants.

After receiving them, we set about confirming every aspect of the documents that we could by independently verifying timelines and crosschecking the contents against known events.

We checked phone numbers, email addresses, bank accounts and media interviews, plus we rang all of the companies mentioned.

Only one would talk to us - the Civic Group, a public relations firm employed by Philip Morris.

None of the tobacco companies involved in the campaign would be interviewed.

Peter Lloyd reports on the tobacco files.

SHERYLE MOON, ALLIANCE OF AUSTRALIAN RETAILERS (August 4): I do want to make it very clear that

the Alliance in this for the long term.

PETER LLOYD, REPORTER: How deep are the pockets?

SHERYLE MOON: Again, it depends on how long the campaign runs. However we do want to see the policy overturned.

PETER LLOYD: A month ago Sheryle Moon was the public face of the previously unheard of Alliance of Australian Retailers, complaining that plain packaging of cigarettes was bad for its members, thousands of ordinary Australian shopkeepers.

SHERYLE MOON (August 4): Because it's harder to see them. They're not identified. They all look very similar. If I am serving customers it's difficult for me to find the right product for the customer.

PETER LLOYD: Reluctantly Ms Moon acknowledged that the Alliance was getting help from tobacco companies.

How much have they earmarked so far?

SHERYLE MOON (August 4): I haven't received any money by email. There is a ...

PETER LLOYD: There must be an amount you've talked about.

SHERYLE MOON: The Alliance has come together to talk about the policy, not about the funding proposals.

PETER LLOYD: But the funding had already gone well beyond proposal stage.

A week before, on the day the Alliance was set up, it became the instant beneficiary of millions of dollars from the world's top cigarette manufacturers.

Here is the first document to become public that shows precisely how generous big tobacco was. ITA is Imperial Tobacco Australia. It gave more than a million. BATA or British American Tobacco Australia chipped in \$2.2 million. And from PML, Philip Morris Limited, a slightly smaller amount: \$2.1 million.

MIKE DAUBE, COUNCIL ON SMOKING AND HEALTH: The campaign is clearly being driven and directed by the Philip Morris company, but it's also clearly being supported by Imperial Tobacco and BAT. It looks simply - the funding just looks to be market share driven

PETER LLOYD: Philip Morris is one of the world's largest producers of cigarettes. In Australia its corporate base is in Melbourne. Back in May, before the birth of the Alliance of Retailers, its corporate affairs manager Chris Argent was seeking advice from a lobbying and public relations firm called the Civic Group. The discussion was about managing a campaign to stop plain packaging laws during the heat of the federal election.

CHRIS ARGENT, PHILIP MORRIS (male voiceover): "We envision the election being a major decision point and would like to clearly understand all costs from now until election day."

PETER LLOYD: Philip Morris gives hundreds of thousands of dollars in political donations to the Coalition, but Argent was clearly worried about the level of support for his company.

CHRIS ARGENT (male voiceover): "Please note that contrary to the proposal the Coalition's 'resolve' is

not 'strong'. It is at best neutral "

PETER LLOYD: The Civic Group is based here in a prestige building in Melbourne's Collins Street.

One of its founding owners is Jason Aldworth. In his proposals to Chris Argent, Aldworth recommended that the campaign to stop plain packaging of cigarettes should, "... be forthright - at times even aggressive - in nature (if the campaign fails, you won't have any brands left anyway, so there is no point worrying too much about damage to your brands)." And that it ought to, "Build concern among the targeted decision makers that the campaign will not cease, is likely to increase and that it will extract a political cost."

But Jason Aldworth was worried about working for a cigarette company and the impact.

JASON ALDWORTH, THE CIVIC GROUP (male voiceover): "We would note that the Civic Group currently acts for several bodies likely to resent a registration on the Lobbyists Code for us to represent a tobacco company. In this regard, it will be important for us that any final engagement be of sufficient quantum to make up for the loss of this work."

PETER LLOYD: Significantly, Aldworth's proposal recommended using third parties, including retail groups, to sell the message. The Alliance of Australian Retailers was born.

SHERYLE MOON (August 4): The Alliance is financially supported by three tobacco companies. It's - again depends on how long the campaign goes. There's no single number; it's about how long the campaign is expected to last.

PETER LLOYD: Sheryle Moon's unsteady performance prompted some soul-searching behind the scenes.

The Civic Group's Rora Furman suggests Sheryle Moon should stick to prepared talking points. "We are upfront on our website, in our media release, the tobacco companies are helping fund our campaign. But that's not the real issue. The real issue is ..."

SHERYLE MOON: The Australian Retail Alliance is funded - has funding support from the three cigarette manufacturers in Australia. We're quite open about that. It's not a secret. It will be on all of our websites, it'll be on all of the media that's out there.

PETER LLOYD: Two days later, advertisements to stop generic packaging hit the airwaves. In the middle of the election campaign, tobacco companies were funding ads from a group purporting to represent the interests of ordinary Australian shopkeepers.

At the end of August, Civic Group sent this invoice to Philip Morris. Top of the bill, a handsome charge for one month's consulting

Off camera I spoke to Brett Miller, one of the owners of the Civic Group. I showed him these documents. He didn't deny that they were genuine and he confirmed that Philip Morris is paying his company \$200,000 a month as a retainer to help manage the Retail Alliance.

The man from Philip Morris, Chris Argent, has no official connection with the Alliance of Australian Retailers, yet the Civic Group's Rora Furman wrote to him seeking approval on how to phrase responses to messages received on the Alliance website.

RORA FURMAN, THE CIVIC GROUP (female voiceover): "I'd recommend not responding to emails that are generally rather offensive and/or use particularly colourful language "

PETER LLOYD: And here Furman seeks permission for the Alliance to speak to a reporter.

RORA FURMAN (female voiceover): "You will see there's also on from retailbiz.com - an online retail media outlet - with an inquiry ... It is the sort of media opportunity that Craig (Glasby) tends to do quite well ... Do let me know if you are OK with this and I will set up a time for them to chat ... Rora "

PETER LLOYD: In another email, Chris Argent expresses frustration that the Alliance failed to respond to requests for an interview from Melbourne radio personality Glen Wheeler.

CHRIS ARGENT, PHILIP MORRIS (male voiceover): "Guys - please see transcript below from MTR (Melbourne Talkback Radio), where Glenn Wheeler claims to have sent emails to AAR asking for an interview. Is this correct, and if so, why was this not brought to our attention?"

PETER LLOYD: I went to Philip Morris to try to speak to Chris Argent.

Well we've tried to speak to Mr Argent by phone, email and now here in person, but to no avail. It seems, according to his staff, that he's not even here.

Professor Mike Daube was one of the medical experts who recommended plain packaging laws. He believes these documents are possibly the most devastating tobacco industry leak ever seen in Australia.

MIKE DAUBE: What this tells us is that far from being the innocent retailer's campaign that it pretends to be, this is a campaign that has been developed, masterminded and run to the finest detail by the Philip Morris company. Now this is an international company, and it becomes so clear from these documents that it's been run by the Philip Morris company in association with British American Tobacco and Imperial.

PETER LLOYD: The Alliance of Australian Retailers exists on the web, but in the real world there is little evidence of its bone fides.

Until two days ago its registered address was in this building, a residential tower block in central Sydney, the owner none other than Sheryle Moon.

Moon stopped speaking on behalf of the Alliance a few days after appearing on Lateline.

The furore over tobacco funding of the Alliance has overshadowed the campaign, yet Philip Morris is forging ahead. This is the latest contract between the company and the Civic Group. It's not signed, but it proposes phase two of the campaign.

A new advertising blitz is scheduled to begin this weekend built around the anticipated higher audiences switching onto television coverage of the AFL and rugby league finals matches. One email talks of a budget of \$3.97 million.

MIKE DAUBE: It looks to me as though this campaign has only just started, that we've seen a spend of around \$5 million on the first phase, and now there's another \$4 million going into the next phase. I think this shows us how desperate the tobacco industry is. They're willing to throw millions and millions, as much as it takes, into opposing plain packaging.

PETER LLOYD: There is also evidence that the US and British parent companies of each tobacco company are paying close attention to what happens in Australia. At Philip Morris last week, there was an international phone hook-up. One of those on the line was John Scruggs, a vice president of the Philip

Morris parent company.

The return of the Gillard Government means Labor MPs can expect to hear from Philip Morris

The Civic Group's Jason Aldworth recommended something akin to a public relations and lobbying war of attrition.

JASON ALDWORTH (male voiceover): "Effective political campaigns only work when the targeted decision makers believe that the campaign will be ongoing and intensive. In short, that the campaign will keep going and keep damaging their political standing unless they change their position."

PETER LLOYD: Mike Daube and other leading lights of the Tobacco Control Lobby will use tonight's revelations to push the Australian Consumer and Competition Commission to take action to stop these advertisements and shut down the campaign to stop plain packaging. If that happens, Philip Morris will almost certainly head to the High Court to plead that it has the right to protect its brand.

Peter Lloyd, Lateline

LEIGH SALES: And in a statement to Lateline, British American Tobacco Australasia says it continues to proudly support the Alliance of Australian Retailers in their campaign calling for evidence-based regulation and for abandoning the proposal to introduce plain packaging.

Philip Morris has also sent a statement. It says there's nothing new about the fact that Philip Morris Limited supports the efforts of the Alliance of Australian Retailers, urging the Government not to proceed with the proposal for plain packaging. "What is disappointing and concerning is that the documents we understand tonight's program will refer to seem to have been obtained by illegitimate means."

Imperial Tobacco didn't return numerous calls from Lateline.

Meanwhile lawyers acting for the public relations company the Civic Group contacted the ABC last night and expressed doubts about the veracity of the documents.

But it should also be pointed out that when Brett Miller from the Civic Group was shown the documents he didn't deny their authenticity, nor did he in subsequent conversations with our reporter.

The full statements from the tobacco companies will be posted on our website.

Read statements from the tobacco companies

Read a statement from [Philip Morris Limited](#) and a statement from [British American Tobacco Australia](#).

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The tobacco files

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Statement from Philip Morris Limited

Posted Fri Sep 10, 2010 7:53pm AEST

In August, Lateline revealed the existence of a tobacco industry-funded campaign to fight back against a looming ban on logos and branding on cigarette packets.

From 2012, cigarettes will be sold in plain packages carrying graphic warnings against smoking. It is a world first, hailed by anti-smoking activists.

Tonight, Lateline revealed the full extent of international big tobacco's involvement in masterminding the campaign to stop those laws.

The report stemmed from a stack of documents which appear to be internal emails, invoices and contracts outlining the nature of the involvement of the biggest tobacco company of them all - Philip Morris.

Philip Morris Limited provided the following statement to Lateline in response to the report:

"There is nothing new about the fact that Philip Morris Limited supports the efforts of the Alliance of Australian Retailers urging the Government not to proceed with the proposal for plain packaging of tobacco products.

"Our support for the Alliance has been made clear in public statements, advertisements and on the Alliance's website.

"Like all the retail organisations represented by the Alliance, Philip Morris has consistently raised its opposition to plain packaging over an extended period of time.

"We are pleased to join with and support the efforts of corner shops, service stations and milk bars to stop implementation of this unproven policy which lacks any credible evidence that it will work.

"Our efforts with the Alliance will include ongoing financial support and public relations advice.

"What is disappointing and concerning is that the documents we understand tonight's program will refer to seem to have been obtained by illegitimate means."

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Big tobacco companies behind resistance to plain packaging

September 16th, 2010 | addictions, adolescent health, drugs, government initiatives, in the news

By 2012 the government intends to ensure that all cigarettes sold in Australia are in plain packaging. However the tobacco industry is fighting back in an attempt to block their plans.

The big tobacco companies are bank rolling a series of newspaper and television ads for an alliance of small retailers and have hired Melbourne based PR firm, civic Group, to manage the campaign.

They are happy to pay big bucks and intend to run the campaign for as long as it takes. This includes an estimated \$5million so far for the ads run on behalf of the Alliance of Australian Retailers. On top of this a reported \$4million was spent on an advertising blitz over the finals season of the NRL and AFL.

The ABC's Lateline program has uncovered documentation which supports the claim that the tobacco companies intend to exert pressure on the government until they relent.

According to the ABC, an email from Civic Group's Jason Allworth to Philip Morris read, "Effective political campaigns only work when the targeted decision makers believe that the campaign will be ongoing and intensive. In short, that the campaign will keep going and keep damaging their political standing unless they change their position."

Professor Simon Chapman from the school of public health at the University of said "The extraordinary proposition here is that the industry are throwing millions and millions of dollars at the idea that plain packaging won't work. Why are they spending all this money trying to defeat something which won't work? If it won't work, it's not going to hurt them."

He continued "The international tobacco companies are of course terrified that this measure will domino all around the world, just as many things which have originated in Australia have."

Apparently the Civic Group recommended using third parties, including retail groups to sell their message. Not surprisingly the Alliance of Australian Retailers was set up soon after. According to their website they are owners of Australian corner stores, milk bars, newsagents and service stations.

On their website they state "We are fed up with excessive regulation that is making it harder for us to run our businesses. The government proposal to mandate plain packaging for cigarettes is the last straw. That's why we have formed The Alliance of Australian Retailers Pty Ltd."

Sheryle Moon from the Alliance confirmed "The Alliance is financially supported by three tobacco companies."

Professor Mike Daube from Council on Smoking and Health was also one of the medical experts who recommended plain packaging laws, he said "What this tells us is that far from being the innocent retailer's campaign that it pretends to be, this is a campaign that has been developed, masterminded and run to the finest detail by the Philip Morris company."

He continued "Now this is an international company, and it becomes so clear from these documents that

it's been run by the Philip Morris company in association with British American Tobacco and Imperial."

In a statement Philip Morris Limited said "There is nothing new about the fact that Philip Morris Limited supports the efforts of the Alliance of Australian Retailers urging the Government not to proceed with the proposal for plain packaging of tobacco products."

"We are pleased to join with and support the efforts of corner shops, service stations and milk bars to stop implementation of this unproven policy which lacks any credible evidence that it will work."

Writer *Helen Splarn*. Editor *Dr Ramesh Manocha*

Source: ABC, Lateline

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