



Anna Bligh is now the chief spokesperson for an industry that fares poorly in the public eye. AAP /Dan Peled

The Australian Banking Association (ABA), backed by the banks' financial and political clout, has not yet made its mark in the way the mining or gaming industries have. But this is threatening to change. The [appointment of Anna Bligh](#) to head up the ABA may represent an important turning point for the organisation.

That she is the first woman to head the ABA connotes some positive PR. But her party-political background is the true advantage. Bligh, a former Queensland Labor premier, is now the chief spokesperson for an industry that [fares poorly in the public eye](#) and is persistently at the [centre of political firestorms](#)

The strategic advantage of Bligh's appointment comes in two key areas of lobbying strategy. For one, she will meaningfully augment the ABA's power behind the scenes, where lobbying is done directly between businesses and government.

But her primary role will be in the harsh glare of the public. Banking bosses are often disliked, and PR – in this case a form of “public lobbying” – is essential to win over voters on critical policy issues.

### **Influence in the halls of power**

It is important for industry groups like the ABA to keep governments onside. This becomes difficult when, in (effectively) two-party systems like Australia, power shifts between Labor and the Coalition.

Typically, executive boards are stacked with those from a business and PR background, such as the ABA's outgoing CEO, [Steven Munchenberg](#) (a former PR executive with NAB). Otherwise, there will typically be at least one other executive with a background in politics –

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usually from the Liberal Party – but ideally both parties are represented.

Along with [Tony Pearson](#), formerly Joe Hockey's senior economic adviser and now an ABA executive, Bligh's appointment means the organisation has direct lines to decision-makers regardless of which party is voted in.

However, having a Labor Party elder as your CEO brings added advantages. Like other major industry groups, such as the gambling, alcohol, tobacco and mining industries, the banking industry is highly susceptible to public policy changes.

Also like the aforementioned groups, banks seem to have a better relationship with the Liberal Party (as reflected by policy outcomes) than with Labor. It was Labor that introduced the [Future of Financial Advice](#) (FoFA) legislation, which placed a fiduciary onus on banks (and others) to put the interests of clients ahead of their own.

Then came the proposed royal commission into banking in the lead-up to the 2016 election. [Labor remains committed](#) to this.

The banks' strategy is clear: beyond her political savvy, Bligh's appointment brings greater access than a Liberal appointee would. And she will be expected to use it. As the ABA's head, Bligh will need to meet with her former colleagues to shape policy.

If Labor wins the next federal election, her status as a prominent and well-connected party figure will become exponentially more useful.

But if the Coalition remains in power, then the ABA takes a back seat. Treasurer Scott Morrison has made it clear that he deals directly with the banks, [not through "intermediaries" such as the ABA](#).

The strategy of the banks is strong in that sense. Whether they lobby individually or use the Bligh-led ABA, they will be well represented.

### Influence in the living rooms of power

Beyond the advantages of face-to-face lobbying and the ever-more-rapidly spinning [“revolving door”](#) between lobbying and politics, the ABA's principal focus will be to shape public opinion.

These PR efforts acknowledge the power of representative democracy: work on the representatives first, but keep the “demos” – the people – onside, just in case.

As such, the ABA, like all industry groups with a public face, exists to try to convince the voting public that their own best interests are inextricably aligned with the best interests of businesses, whether true or not.

This PR strategy often relies on press releases and media engagement. But when a significant policy threat emerges – like a banking royal commission – the ABA may well rely on the use of “advocacy advertising”. This is where organisations use ads to try to win over public opinion, in turn pressuring the government.

This technique is used excessively in the US. It has a strong track record in Australia too, most notably during the mining tax and pokies reform debates.

To work, advocacy ads wouldn't even need to make the public like the banks. In the case of unpopular industries, building goodwill is useful but problematic, so scaring the public can be just as effective.

To return to FoFA's “best interests” example, convincing the public that banks should be able to put their own interests first is difficult. But if banks can suggest that the economy will suffer, and the public might lose monetarily, the strategy can work.

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Currently fighting a similar “best interest” clause in the US, its [financial services industry](#) made such a case – and appears to be getting its way. The “Secure Family” financial services lobby group has run TV ads such as this:

For an industry as powerful (and rich) as banks, advocacy ads are usually worth a shot. There's relatively little to lose but a lot to gain.

For policy battles fought in the domain of TV advertisements, it can be tremendously lopsided: those with money (like banks) can pay-to-play. But, problematically, in a system where a plurality or “marketplace” of ideas is critical to democratic ideals, similarly well-funded and advertised counter-argument is often conspicuously absent. By acting and speaking with a unified voice, banks have a significant advantage.

Commercial interests have long recognised the power of lobbying, but more are now realising the importance of harnessing public sentiment too.

*George Rennie does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.*

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