

— **Exclusive**

Retail lobby group chief quits but vaping push continues

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National Retail Association chairman Mark Brodie has resigned after a tumultuous year, with the board in turmoil as the group battled revelations of mysterious funding behind its lobbying for e-cigarettes.

Mr Brodie's departure comes after it emerged that the NRA had a backroom role in a new campaign to legalise e-cigarettes announced by the Australian Association of Convenience Stores (AACS) earlier this month.



Mark Brodie, then Managing Director of Brodie Group, outside an LNP campaign lunch in Brisbane in January 2015. **Renee Melides**

Six directors resigned last year and for five months the NRA board was reduced to three directors after claims of irregularities

[https://www.roc.gov.au/sites/default/files/2022-01/016q-e2021-226_0.pdf] in a chaotic board restructure which began after *The Australian Financial Review* revealed the NRA's links to tobacco funding [<https://www.afr.com/policy/health-and-education/the-secret-money-trail-behind-vaping-20210217-p573bi>].

The AACS – which is run by former British American Tobacco executive Theo Foukkare and long-time Philip Morris executive Ben Meredith – makes no secret of the major funding it receives from BAT, Philip Morris and Imperial Tobacco. Legalising vaping is a primary aim of the convenience store lobby.

“We unashamedly support our members and will always fight for their needs to remain relevant in a competitive market,” Mr Foukkare told the *Financial Review*. On June 27, hours before an ABC *Four Corners* program about the dangers of vaping went to air, the AACS, the Master Grocers Association and the Australian Lotteries and Newsagents Association issued a joint press release which purported to cite the television report to argue for a national policy summit on e-cigarettes.

‘Choice to consumers’

It is part of a broader push, with a redesigned AASC website and a separate website [<http://www.joinaccess.com.au/>] called Access, to promote information about vaping.

Mr Foukkare told trade press that “we’re not a health advocate, we’re more about providing choice to consumers”.

The NRA did not put its name to the AACS campaign. But when the new websites went live last month, the AACS LinkedIn account noted: “Huge thank you to Bec Goulter and the marketing team at the National Retail Association for bringing this to life.”

Ms Goulter, NRA marketing manager, replied: “This has been such an exciting project to work on. Can’t believe it’s finally live! Industry association supporting industry association!”

Mr Foukkare declined to describe how the NRA came to create its websites. The NRA did not respond to queries from the *Financial Review*.

Board renewal

Mr Brodie’s resignation comes three months after being re-elected as chairman. His successor, Tim Schaafsma, was previously chief operating officer for home goods retailer Greenlit Brands. He stepped down in 2019 after reporting a \$287.7 million loss [<https://www.smh.com.au/business/companies/former-harris-scarfe-owner-reports-288-million-loss-20200130-p53w1c.html>].

In February last year, *AFR Weekend* revealed that the Australian Retailers Association, which represents most major retail operators, had cancelled a rolling contract [<https://www.afr.com/companies/retail/australian-retailers-association-cancels-secret-tobacco-contract-20210219-p5740g>] with tobacco giant Philip Morris worth \$500,000 a year to promote vaping.

New CEO Paul Zahra and the ARA board made the decision in August 2020 – only for the NRA to launch a similar pro-vaping campaign some days later.

NRA’s June 2021 accounts showed revenue from “policy services” jumped \$473,000 [<https://www.afr.com/rear-window/vapers-facelift-new-pitch-same-sponsors-20220628-p5ax9k>].

On the Monday following *AFR Weekend*’s story in February 2021, long-time director Kristine Skippington resigned from the six-member NRA board. She did not respond to questions from the *Financial Review* about her exit.

In May 2021, Mr Brodie announced the board would be expanded [<https://www.nra.net.au/board-members-2021/>] with the appointment of three new directors – Tabcorp executive Antony Moore, Julie Mathers of eco store Flora and Fauna, and Dorothy Barbery, CEO of Universal Store.

But the Australian Electoral Commission, which supervises board elections, received a written complaint that nomination forms were sent to non-members.

The AEC eventually dismissed the claim, as questions emerged over the procedure for board appointments.

Five directors resigned last November, leaving only Mr Schaafsma, deputy chairman Ian Winterburn and Mr Brodie.



ARA chief executive Paul Zahra. **Photo:** Louise Kennerley

It was not until April this year that new elections were finally held and four of the departed directors returned along with two new faces, to make a nine-member board.

“We don’t believe the advocacy of tobacco or vaping products are in the best interests of the retail industry,” ARA’s Mr Zahra said this week. “It’s a matter for other industry associations to justify their advocacy on these matters.”

“The Queensland-based association, which has refused to join the national alliance, dilutes the efforts of the retail industry, which is the largest private employer in the country, to have one strong and united voice.”

Close Campbell Newman ally

Mr Brodie, who earned \$100,000 a year in board fees, has long been the face of the NRA, as a director for 26 years and chairman for 22 years.

He made his fortune building a takeaway chicken chain, Brodies, before turning to property development and was one of former Queensland premier Campbell Newman’s closest allies.

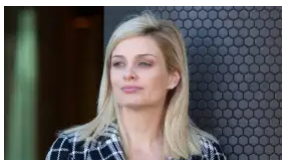
In late May 2019, Mr Brodie’s Triumph Investment Group paid \$6.5 million for an untenanted seven-level office building in Brisbane’s Spring Hill, which he planned to refurbish. On June 14, NRA signed a five-year lease for office space in the building.



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In March 2020, as the global pandemic was devastating share markets around the world, the NRA bought the third floor of the building for \$2.2 million.

Both transactions were at commercial rates and Mr Brodie did not vote on either matter, the NRA reported.

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