

Federal government advertising

Introduction

Government advertising is a contentious issue in modern democracies. In Australia, both Commonwealth and State governments are entitled to taxpayer money to provide the public with information about their programs. This is allowed for under the *Commonwealth Electoral Act 1918*.

At one level, government advertising has an important democratic function. The public has a right to be informed about the programs which their taxes fund. Equally, governments have a right to establish a framework for delivering this information, subject to parliamentary scrutiny.

But the distinction between government and political advertising is often blurred. This creates claims of political bias and that the funds would be better spent on the advertised services themselves.¹ Although governments' campaign advertisements generally cease once the Parliament is dissolved for an election, their style is often similar to parties' election advertisements.²

Not all government advertising is contentious however. A proportion of the government's advertising budget is labelled 'non-campaign' which includes job vacancies in Australian government organisations, public notices and tenders. These are 'one-off' advertisements.

The system of government advertising

There are two main bodies responsible for government advertising: the Ministerial Committee on Government Communications (MCGC) and the Government Communications Unit (GCU).³

The Ministerial Committee on Government Communications

In 1997, Prime Minister John Howard established the MCGC. This committee makes the key decisions relating to information activities undertaken by government departments and agencies governed by the *Financial Management and Accountability Act 1997*. Under the guidelines, major and/or sensitive information activities are to be approved:

- first by the responsible minister
- then for discussion with the GCU, and
- then by the MCGC for approval.

The MCGC applies the *Guidelines for Australian Government Information Activities*, established in 1995.⁴ The principles governing these guidelines include:

- equality of access to information about government programs, policies and activities
- an expectation that each government department will have a public information program 'particularly where programs concern the individual's benefits, rights and obligations', and
- efficient and effective use of information staff and communication techniques.

The MCGC is chaired by the Special Minister of State⁵ and has three other permanent members who together provide a whole of government perspective.⁶ The minister responsible for the information activity, or his or her representative, is a member of the MCGC for consideration of that activity.⁷

Government Communications Unit

The GCU coordinates government communications and advertising. It was renamed and transferred from the Department of Finance and Administrative Services to the Department of the Prime Minister and Cabinet (PM&C) in 1998. The PM&C website lists the main activities of the GCU as:

- providing strategic advice on proposed communications issues to the PM and the MCGC
- maintaining a whole of government overview of current communications activities
- provide a secretariat to the MCGC, assisting the committee with selecting consulting and tendering processes, and
- manage the Central Advertising System (see below).

The First Assistant Secretary (FAS) of the People, Resources and Communications Division is responsible for the GCU. The FAS meets with the chairman of the MCGC before each meeting of the Committee and is briefed on the meeting's outcome.⁸

Central Advertising System (CAS)

The Central Advertising System delivers 'a reliable and cost-

effective media placement service for departments and agencies'.⁹

The *Guidelines for Government Information Activities* indicate that all advertising is to be placed through the CAS once approval from the Ministerial Committee is gained. The selection of advertising consultants is governed by the Australian Government Procurement Guidelines. These relate to the principles of value for money, open and effective competition, ethics and fair dealing and accountability and reporting.¹⁰

How much have governments spent?

The following table presents aggregate expenditures on government advertising (1991–2004). The data includes both campaign and non-campaign advertising registered through the CAS. The third column converts nominal expenditure to 2003–04 prices.

Table 1: Government advertising expenditures 1991–2004

	Nominal \$m	2003–04 prices: \$m
1991–92	\$48	\$61
1992–93	\$70	\$88
1993–94	\$63	\$79
1994–95	\$78	\$97
1995–96	\$85	\$103
1996–97	\$46	\$55
1997–98	\$76	\$89
1998–99	\$79	\$92
1999–00	\$211	\$240
2000–01	\$156	\$170
2001–02	\$114	\$122
2002–03	\$99	\$103
2003–04	\$109	\$109
TOTAL	\$1234	\$1408

Source: See box (right)

Expenditures on government advertising placed through the CAS rose fairly steadily over the years of

the Keating Government (1991–96). The exception was the 1992–93 financial year when there was a sharp increase in outlays.

Government advertising expenditure over the first eight years of the Howard Government (see Table 1, shaded) is marked by a major increase in 1999–2000. Expenditures for that year increased by 265 per cent on the previous financial year. This reflected expenditure on the goods and services tax advertising campaign. Still, the level of government advertising expenditure in the past two financial years is similar (in real terms) to outlays in the last two years of the Keating administration.

Which programs have been funded?

Table 2 presents the highest-spending advertising programs under the Keating and Howard administrations. Advertising on defence recruitment was by far the single largest expenditure item by the Keating Government (\$54.7 million) and under the Howard Government is likely to exceed the \$119 million spent on the GST campaign (currently \$112.1 million).

Source—Table 1.

1991–2 to 1995–6: Department of Administrative Services, *Annual Reports*.
1996–7 to 97–8: requested from GCU.
1998–9 to 2002–03: Department of Prime Minister and Cabinet, *Annual Reports*. Figure for 2003–04 taken from Senate Estimates, Department of Prime Minister and Cabinet, 25 May 2004.

Source—Table 2.

1991–2 to 1995–6: Commonwealth Government Information and Advertising, *Audit Report No. 30*, 1994–95.
Defence figures taken from *Annual Reports*, 1991–2 to 1995–6: 'Media Advertising Organisations'.
1996–7 to 2002–03: Department of the Prime Minister and Cabinet, *Annual Reports*.
Figure for PBS Campaign from Finance and Public Administration Senate Estimates Committee, 5 November 2003.

Table 2: Major government advertising campaigns (1991–2004)

Program	\$m
Defence Recruitment Campaigns (1991–2004)	\$166.8
A New Tax System (GST) (1998–2000)	\$118.7
Pharmaceutical Benefits Campaign (2003–)	\$26
Republic referendum (1998–99)	\$24.7
National Security Campaign (as at 30 June 2003)	\$18.5
Strengthening Medicare (2004–)	\$15.7
Apprenticeships (1997–)	\$15.6
Domestic Violence Campaign (2002–05)	\$13.7
Lifetime Health Cover (1999–2000)	\$12.4
Smart Traveller (2003–07)	\$9.7
Working Nation (1994–96)	\$9.4
Superannuation Guarantee (1992–93)	\$9.1
Citizenship (2000–)	\$6.3
Regional Telecommunications Campaign (2004–)	\$5.5
Superannuation Co-contributions (2004–)	\$4.8
Job Network Employer Campaign (2004–)	\$4
Hospital Entitlements Campaign (1992–93)	\$3.3
Training Guarantee Campaign (1991–94)	\$3.2
Waste Oil Campaign (2004–2008)	\$3
Drugs Campaign (1992–94)	\$2.9

Source: See box (left). Shaded boxes are continuing programs—see *Senate Estimates Committee*, 16 February 2004, pp. 169–176 & 25 May 2004, p. 92.

The other big spending advertising campaigns by both Labor and Liberal administrations were on superannuation and Medicare. On health issues, the Howard Government has also conducted major advertising campaigns on the Pharmaceutical Benefits Scheme and on Lifetime Health Cover.

ANAO reports

There have been two major enquiries into the conduct of government advertising by the Australian National Audit Office (ANAO).

In 1995, the ANAO conducted an efficiency audit of departmental campaign advertising. The purpose of the report was to 'make recommendations designed to encourage better practice in managing difficult and complex campaigns'.¹¹ The report 'questioned the extent to which campaigns that only provide facts and are not designed to influence attitudes or change behaviour actually help achieve program objectives'.¹²

In October 1998, shortly before the federal election, the Audit Office reported on the GST advertising campaign at the request of the Leader of the Opposition in the Senate. The report noted that:

there are no Commonwealth guidelines or protocols on information and advertising campaigns [...] covering matters such as distinguishing between government and party-political advertisements, the distribution of unsolicited material and conduct of campaigns in the lead up to an election [...] It is not a matter that officials can duly decide for themselves. [H]istory shows it is not uncommon for Government advertising to increase in the period immediately preceding an election.¹³

Pre-election spikes

Tables 1 and 2 support this claim of pre-election spikes in expenditure on government advertising. The 1993, 1996, 1998 and 2001 federal

elections were preceded by sharp increases in government advertising outlays:

- the bulk of the Keating Government's \$3 million advertising campaign on Medicare Hospital Entitlements was spent the month before the 1993 poll¹⁴
- the Keating Government spent \$9 million in the three months prior to the 1996 Federal election campaign¹⁵
- the Howard Government spent \$29.5 million in the three months before the 1998 election campaign.¹⁶ Half this expenditure (\$14.9 million) was on the GST campaign. Still, pre-election spending on GST advertising accounted for only 13 per cent of total expenditure on the GST campaign, and
- in the four months before the 2001 election, the government spent roughly \$78 million.¹⁷

This trend of pre-election spikes in government advertising seems likely to continue. A May 2004 Senate Estimates Committee heard evidence of various plans for commencing new and continuing existing government advertising campaigns (see Table 2, shaded).¹⁸

Information or propaganda?

The 1998 Auditor-General's report argued that addressing the public perception of bias is as important as improving the openness and accountability of the advertising framework itself.¹⁹ The perception that governments' information campaigns are an extension of political advertising has been influenced by:

- pre-election spikes in government advertising expenditure
- the status of the federal government (since 2000) as the top spending advertiser in the country²⁰
- the placement of the GCU within PM&C, and
- party-political appointments to the MCGC and MCGIA.

Sally Young, a Melbourne political scientist, has argued that these arrangements have placed incumbents at a 'massive advantage' and challengers at a 'massive disadvantage'.²¹ She argues that governments have the capacity to run a 'permanent campaign' using the highly effective electoral tool of direct mail-outs. In the absence of restrictions on the format of these advertisements, Young sees modern government advertising as blatantly self-promoting.²²

There are important moderating arguments:

- government advertising is a key mechanism through which governments can communicate information directly to the public—it bypasses the editorial commentary of the media
- government information programs only proceed on the basis of a need to deliver specific facts on issues of broad public concern
- the vast majority of government advertisements *do* contain information on new policies and explain how changes to existing policies will impact on people
- there is a logic to current arrangements whereby those who oversee election campaign advertising have a responsibility to oversee subsequent publicity for policy implementation, and²³
- defence recruitment programs—the single-largest item of government advertising by both the Keating and Howard Governments—is a long-term campaign that has strong bi-partisan support.

Put in these terms, government advertising fulfils an important public service and democratic function. Even those who criticise the timing and content of government ads concede that 'you cannot bring in new policies in a vacuum'.²⁴

Addressing bias

The UK, New Zealand and Canada have all introduced reforms to their systems of government advertising. New Zealand's reforms date back to 1989 when the Office of the Auditor-General developed and policed clear 'dos' and 'don'ts' for government advertising campaigns. In April 2003, the UK National Audit Office recommended formal checklists which alert agencies' staff to propriety issues in campaign planning.²⁵ The Canadian Government is currently introducing a series of reforms which are aimed at intensifying competition for government advertising contracts.²⁶

In Australia, there have been recommendations by the Victorian Auditor-General and the *Government Advertising Bill 2000* introduced by Kim Beazley MP.²⁷ These can be summarised as follows: government advertising

- should be directly relevant to government responsibilities with an identified information need
- should be presented in an objective and fair manner—verifying facts and clearly delineating between facts and comment
- should be produced and distributed transparently and cost-effectively
- must not be liable to misrepresentation as party-political—avoid party-political attacks, political slogans, names etc., and
- should consider whether matters such as timing, targeting, and the overall environment in which it is planned to be communicated, could suggest a party-political motive.²⁸

Although the Bill was not passed, it has focussed attention on improving the process of government advertising. Bi-partisan representation on the MCGC will always be contentious and there will always be difficulties in determining whether the objectives of government advertising campaigns are legitimate.²⁹ The recent rejection of a

Democrats/Labor production order to table the cost, authorisation contracts and proposed conduct of advertising campaigns in Parliament means that accountability will continue to be exercised by parliamentary and ANAO review.³⁰

Endnotes

1. See R. Garran, 'Medicare campaign enrages Hewson', *The Financial Review*, 2 February 1993; F. Brenchley, 'Ministry of Propaganda', *The Bulletin*, 16 February 1999, pp. 30–32; M. Metherell, 'Opposition condemns \$109 million marketing blitz', *Sydney Morning Herald*, 27 May 2004.
2. This is known as the 'caretaker convention'. Government advertisements may continue through the election campaign if 'they are required to inform the community of entitlements or obligations'. See 'Taxation Reform: Community Education and Information Programme', Auditor-General, *Audit Report No. 12*, 1998, p. 23.
3. The MCGC replaced the Labor Government's Ministerial Committee on Government Information and Advertising (MCGIA). The GCU replaced the Office of Government Information and Advertising.
4. *Guidelines for Australian Government Information Activities*, February 1995, [http://www.gcu.gov.au/code/pdf/Government Information Activities.pdf](http://www.gcu.gov.au/code/pdf/Government%20Information%20Activities.pdf)
5. This position is currently held by Senator the Hon. Eric Abetz.
6. The Committee's current members are Mr Petro Georgiou MP (Federal Member for Kooyong), Mr Tony Smith MP (Federal Member for Casey) and Mr Tony Nutt (the Prime Minister's principal private secretary). The Labor Government's MCGIA also had a party political membership.
7. *GCU website*, 'The MCGC and its processes', <http://www.gcu.gov.au/code/about/pg2.html>
8. This position is currently held by Mr Greg Williams.
9. Department of the Prime Minister and Cabinet, *Annual Report*, 2003–04, p. 77.
10. *GCU website*, 'The MCGC and its processes', op. cit.
11. G. Hogan et. al., 'Efficiency Audit, Commonwealth Government Information and Advertising', Australian National Audit Office, *Report No. 30*, 1994–95, p. xi.
12. *ibid.*, p. xvi.
13. *Audit Report No. 12*, op. cit., pp. 12–13.

14. Appendix 6, *Audit Report No. 30*, op. cit., p. 48.
15. F. Brenchley, op. cit., p. 32.
16. *ibid.*
17. J. Koutsoukis, 'Now for the really hard sell', *The Age*, 29 May 2004, Insight, p. 3.
18. Senate, Finance and Public Administration Committee.
19. *Audit Report No. 12*, op. cit., p. 12.
20. S. Brook, 'Fed's \$150m the big spend', *The Australian*, 27 February 2002.
21. S. Young, 'Killing competition: Restricting access to political communication channels in Australia', *Australian Quarterly*, May–June 2003, p. 15.
22. S. Young in J. Koutsoukis, op. cit.
23. F. Brenchley, op. cit., p. 32.
24. Senator J. Faulkner in V. Burgess, 'Ad campaign ignored auditor's advice', *The Canberra Times*, 5 July 2000.
25. *Government Advertising: A Review by the National Audit Office*, April 2003. http://www.nao.org.uk/publication/s/gov_advertising.pdf
26. 'Canadian Government Cleans Up Ad Rules', <http://canadaonline.about.com/cs/govpurchasing/a/fedadrules.htm>
27. The Victorian Auditor-General, 'Framework for Government Advertising and Marketing', *Report on Government Agencies*, June 2002. http://www.audit.vic.gov.au/report_s_better_practice/agbp01.html
28. See also <http://www.anao.gov.au/WebSite.nsf/Publications/4A256AE90015F69B4A256904000476AC>
29. Provisions of the Government Advertising Bill 2000, *Finance and Public Administration Committee*, August 2002, p. 9.
30. Senator Robert Hill, 'Government Advertising: Return to Order', Senate, *Debates*, 12 February 2004, p. 20,168.

Dr Richard Grant Politics and Public Administration Section Information and Research Services

Views expressed in this Research Note are those of the author and do not necessarily reflect those of the Information and Research Services and are not to be attributed to the Parliamentary Library. Research Notes provide concise analytical briefings on issues of interest to Senators and Members. As such they may not canvass all of the key issues. Advice on legislation or legal policy issues contained in this paper is provided for use in parliamentary debate and for related parliamentary purposes. This paper is not professional legal opinion.

© Commonwealth of Australia
ISSN 1328-8016