



AUSTRALIAN SENATE

CLERK OF THE SENATE

PARLIAMENT HOUSE
CANBERRA A.C.T. 2600
TEL: (02) 6277 3350
FAX: (02) 6277 3199
E-mail: clerk.sen@aph.gov.au

hc/let/14706

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Mr Alistair Sands
Secretary
Finance and Public Administration References Committee
The Senate
Parliament House
CANBERRA ACT 2600



Dear Mr Sands

GOVERNMENT ADVERTISING (2)

Thank you for your letter of 29 June 2005, in which the committee invites me to make a supplementary submission in relation to the committee's inquiry into government advertising.

I do not wish to alter the submission I made to the committee on 10 August 2004, but reiterate it. I make only a few additional observations.

The committee will be well aware that its inquiry is given added significance by the current controversy about the government advertising campaign in relation to proposed changes to industrial relations legislation. It will be apparent to the committee that this adds a new dimension to the problem which is the subject of the committee's inquiry. If government can use public funds to advertise its legislative proposals before those proposals are even introduced into the Parliament, much less passed, the distinction between government advertising for public information and party-political advertising for partisan advantage has virtually disappeared. There is nothing to prevent publicly-funded advertising of the legislative proposals of the party in office immediately before an election is called, when those legislative proposals are to be a significant factor in the election campaign, and where they cannot be introduced into the Parliament until after the election.

It is highly desirable for proper parliamentary accountability of the executive government that both the disclosure requirements, as exemplified by the order of the Senate of 29 October 2003, and the kinds of process regulation recommendation in my earlier submission, should be implemented.

Apart from the issue of accountability, it is not in the long-term interests of the political system and any of its participants, including government, that the current situation should continue. This is illustrated by an incident arising from the previous stage of the committee's inquiry.

Following the publication by the committee of my earlier submission, I received a formal complaint from a minister to the effect that the section of my submission about cross-subsidising of government advertising and party-political advertising accused the government of corruption. In response, I pointed out that the submission did not do anything of the sort; it clearly stated that it is *suspected* that cross-subsidising occurs and that cross-subsidising is tantamount to corruption. I pointed out that the word "suspected" was delicately put, and that the allegation of cross-subsidising had been made in the Senate on numerous occasions. I could also have pointed out that cross-subsidising is not tantamount to corruption, but *is* corruption. That term could also be applied to the use of public funds for party-political advertising even in the absence of cross-subsidising. I went on to point out that the lack of transparency and proper process in this area merely gives rise to unhealthy suspicions and allegations.

It is not productive for government to take offence at any suggestion of impropriety, while resisting the measures which would dispel such suggestions. If everything is above board, why not let it be seen to be so? The combination of outrage at criticism and dexterity in concealment must wear thin. The louder they talk of their honour, the faster we count our spoons.

This leads to the last point I would make: transparency and proper process would greatly assist a favourable public perception of the political process by removing the basis for unhealthy suspicions and allegations. The general public would have one less reason for the current level of cynicism about political institutions.

I would be pleased to elaborate on these observations or provide any further information should the committee so require.

Yours sincerely



(Harry Evans)