In recent weeks, there has been increased commentary on government advertising as a result of the Howard government running some controversial ads on its planned industrial relations changes. Although the full IR campaign has not yet hit full steam, it is estimated that the total campaign will cost at least $20 million and possibly even $100 million.¹

This is part of a pattern which, in recent years, has seen Australian governments dramatically increase their spending on advertising—particularly on television.² The federal government now spends at least $100 million per year on government advertising and, in 1999-00, as a result of high spending on advertising the new Goods and Services Tax (GST), spent a record $211 million.³

There are a number of theories which can help us to understand this trend and these originate from a range of disciplinary perspectives including political science, legal studies, media and journalism studies. Each suggests conceptual frameworks for analysing this phenomenon and each emphasises different aspects of the problem.

¹ Schubert, Misha, 2005, ‘Work law ad blitz may cost $100m’, the Age, 5 August.
Government advertising as an incumbency resource and part of the PR state

Political science and legal studies perspectives emphasise government advertising as a political resource and examine the legal aspects of the phenomenon (particularly the lack of regulation in Australia) as well as the political consequences of any abuse of government advertising including the potential for entrenched incumbency and unequal election competition.4

Modern election campaigns involve research, preparation and long term planning that have created the sense of a ‘permanent campaign’.5 As part of this shift to constant and centralised campaigning, in office, governments are increasingly drawing on incumbency advantages to boost their re-election prospects. This includes increasing benefits such as postal, printing and communication allowances, electoral databases, media advisers, government communications units, and MPs’ office equipment and staff. But in particular, government advertising has been taken to new and extraordinary levels by the Howard government since it came to office in 1996.

There are no regulations or laws preventing this and there is no independent scrutiny of government advertising spending or content. As a result, as I’ve argued elsewhere, government advertising ‘has become…one of the greatest benefits of incumbency … [and] a major political communication resource which, in recent years, has been sorely abused. Both federal and state governments have used their incumbency advantage to fund massive, publicly-funded ‘government information’ campaigns’.6

Graeme Orr argues similarly that ‘Both sides - i.e., both parties of government - have adopted a 'spoils of office' approach since the 1990s… The amounts of public money

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5 Blumenthal, Sydney, 1980, The permanent campaign: inside the world of elite political operatives, Boston, Beacon Press.

involved are staggering. [And] federal and state governments are both abusing [the process]...".  

Such analyses of government advertising often conceptualise it as part of a ‘PR state’ that indulges in blatant self-promotion at taxpayer expense. The PR state includes not only advertising but is also characterised by governments employing an army of media advisers and spending millions on media monitoring and opinion polling. The misuse of public money for undeclared partisan purposes is a major concern for Australian democracy and something which the Audit has defined elsewhere as corruption.

Related to these perspectives, analysts often emphasise how government advertising, as an incumbency resource and part of the PR state, can be (ab)used for electoral advantage.

**Government advertising as an electoral advantage**

This perspective places emphasis on the timing of government advertising as well as its content and cost. For example, in 2004, in the months leading up to the federal election, the Howard government spent over $30 million on government advertising. Critics (particularly the opponent Labor Party) criticised this advertising as an attempt to sway public opinion in order to gain an early electoral advantage.

During the ‘phoney war’ pre-election period between 1 May and 29 August 2004 (when the Prime Minister announced the election date and campaigning began in earnest), the federal government ran newspaper, radio and television ads on major campaigns and on topics as diverse as Medicare, apprenticeships, superannuation, the pharmaceutical

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7 Orr, Submission to the Senate Finance and Public Administration Committee Inquiry into Government Advertising and Accountability.
benefits scheme, overseas travel, family payments, the environment, telecommunications and domestic violence.

At the time, industry sources estimated that the federal government spent $32 million on government advertising between May and June 2004 while the Australian Labor Party (ALP) estimated the government spent $40 million.\(^\text{12}\) A year later, and with the benefit of updated information, the ALP claimed the Howard government actually spent $61 million between April and June.\(^\text{13}\) Final figures showed that the Federal Government spent at least $95 million on advertising in the lead up to the October election.\(^\text{14}\)

If this is correct, it means that the federal government spent at least triple the amount on government advertising that would be spent on party political advertising by either the Coalition or its major opponent, the Australian Labor Party (ALP), during the election. This draws attention to the way in which one of the Democratic Audit’s key values—political equality—can be violated through an uneven playing field amongst parties and candidates vying for election.

Perspectives which view government advertising as an incumbency resource, an electoral advantage and part of the PR state, emphasise how government advertising relates to political resources, processes and institutions. However, other perspectives, which have received less attention in Australia, examine another side of the phenomenon—the media. Instead of emphasising governments, politicians and their behaviour, these theories examine the media organisations and outlets which profit from government advertising and consider how that largesse might influence their content and behaviour.

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Government advertising as an ‘information subsidy’ for the media

In the UK, the phenomenon of government advertising has been examined by a number of authors and many of their studies have emphasised the use of government advertising by the Thatcher government in the late 1980s on contentious issues such as privatisation. These studies consider something which, to date, has largely been omitted in analysis of Australian government advertising—the role that such advertising plays as a major source of revenue and an ‘information subsidy’ for the media organisations who receive it.

Peter Golding and Graham Murdock use the definition of an ‘information subsidy’ as ‘an attempt to produce influence over the actions of others by controlling their access to and use of information relevant to those action’. Through advertising, the state ‘effectively gives subsidies to media organizations by reducing the effort required to discover and produce information for their audiences’.

Since the Howard government took office in 1996, $929 million has been spent on federal government advertising. In the same period, state and territory governments have spent $2.148 billion on advertising. (At the state level, the NSW and Victorian governments in particular, are big spenders.) Government advertising therefore constitutes a significant proportion of commercial media outlet profits and this is particularly true for television stations.

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18 Department of the Prime Minister and Cabinet, 2004, Submission to the Senate Finance and Public Administration Committee Inquiry into Government Advertising and Accountability, Canberra, Australia, Department of the Senate, Parliament House.
Some government advertising has bi-partisan support (such as defence force recruitment advertising, in the case of the federal government) and much of it is fairly routine and mundane – such as public service job ads and tender ads (for both state and federal governments). In political terms, it is not these routine ‘non-campaign advertisements’ but rather the big-spending theme ‘campaign’ advertisements which appear to carry a political message, and are aired immediately prior to an election campaign, which attract the most controversy.

In economic terms, however, regardless of the content or what type of advertising it is, this all represents a remarkable flow of money from governments (both state and federal) to the media owners whose favour they court. While job advertisements and tender application ads may be mundane in content, they still form part of the ‘rivers of gold’ of classified advertising which is a major source of income for newspapers. It is also important to note that government advertising can be used not only as a form of patronage—or a reward for favourable coverage—but also as a punishment.

In 2003, it was reported that NSW Premier Bob Carr threatened to withdraw government advertising from Fairfax-owned newspapers after an unfavourable report about the state government in the Sydney Morning Herald. Also in 2003, there were allegations that the West Australian state government withdrew public service job advertisements from the West Australian newspaper as a ‘payback’ for unfavourable coverage under a new editor. This decision cost the West Australian millions of dollars a year.¹⁹

Propaganda theory takes analysis of this sort of state-media economic relations to another level.

The media and propaganda theory

Edward Herman and Noam Chomsky use the term ‘propaganda’ to draw attention to the control of the wealthy and powerful over the means of disseminating information and

ideas. Unlike ‘old-fashioned’ state-owned propaganda, they argue that political elites no longer have to own or directly control the media because they can still disseminate information with the media’s consent.20

Herman and Chomsky highlight how the media, government and business have common interests and they argue that money and power filter out the news deemed ‘unfit to print’. ‘Dissident ideas are not legally banned; they are simply filtered out quietly and unobtrusively’.21 In particular, Herman has described how these series of news filters advantage government and dominant private interests and aid in getting their messages across.22 Two of these filters are particularly relevant to the phenomenon of government advertising; advertising revenue and mass media news sources.

The commercial media are firmly embedded in the market system—they are profit-seeking business—and they are reliant on advertising. Advertisers want their ads to appear in a supportive environment. Herman argues that advertising is a major filter of news content because ‘advertisers will rarely sponsor programs that seriously criticize sensitive corporate activities’.23 TV and radio stations are particularly vulnerable to this filter because broadcasters obtain about 100 per cent of their revenue from advertising (while newspapers derive less, about 75 per cent).24 In Australia, there have been well publicised cases of executives pressuring editors ‘not to run stories which they regarded as unfavourable to advertisers’.25

A second filter of interest is the reliance of the media on information provided by government, business and other ‘expert’ news sources. To consolidate their positions as

24 Ibid.
sources, governments and businesses go to great lengths to make things easy for news organisations. For example, Herman notes they provide the media with press releases, press conferences, made-for-media events and ‘turn out a large volume of material that meets the demands of news organizations for reliable, scheduled input’. This also, in effect, subsidises the mass media by providing things that the media would otherwise have to pay for. In return, argues Herman, these news sources gain special access to the media. Research bears this theory out by showing that government spokespersons are among those who are most often, and most prominently, quoted in news reports.

Propaganda theory therefore suggests two major reasons why the commercial media may have an interest (in common with one of its largest advertisers, the federal government) in maintaining high government advertising spending and filtering out criticisms of the practice. The first is the filter of advertising; commercial media outlets filter out news content which is critical of their major advertisers and, in some election years, the federal government is the biggest advertiser in the country. Secondly, government spokespersons are major news sources who are able to gain greater media access and have their views reported more comprehensively than other sources.

Applying propaganda theory to the case of Australian government advertising in May-June 2004 would therefore suggest that criticisms of government advertising spending would be filtered out of the news reported by commercial media outlets.

**Conclusion**

There are a number of theoretical perspectives we can apply to help us understand government advertising. A major point, which has often been overlooked in previous analyses, is the extent to which the media profits from government advertising. As commercial media outlets are economic institutions and their performance is shaped by

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26 Herman, ‘Media in the US political economy’, p. 85.
28 This is a hypothesis that the author seeks to test in a forthcoming paper.
the market system in which they operate, how do they report criticism of high spending on government advertising despite the fact that they have a vested commercial interest in the practice?

On 18 August, the Senate will begin hearing verbal submissions to its Inquiry into Government Advertising. This will be another opportunity to test whether commercial media outlets report concerns about high spending on government advertising or whether such criticisms will be, as propaganda theory suggests, filtered out of commercial media news reporting.