

# New politics

## Depoliticising taxpayer-funded advertising

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## Overview

Australian governments spend big on advertising campaigns – nearly \$450 million each year combined – more than large private companies such as Harvey Norman, Woolworths, and McDonald's.

Governments run advertising campaigns to communicate important information to the public or ask them to take action. But this report shows that both federal and state governments take advantage of this 'pot of money' to run advertising campaigns with strong political overtones.

Using taxpayer-funded advertising to seek political advantage by including party slogans or colours, spruiking government achievements, or deliberately timing campaigns to lead into elections should not happen.

Yet such misuse of taxpayer-funded advertising is rife. Of the nearly \$200 million spent each year by the federal government on advertising, we estimate that nearly \$50 million, on average, is spent on campaigns that are politicised.

The cost to taxpayers adds up over time. Over the past 13 years, \$630 million has been spent on federal campaigns that spruik government achievements, and/or were timed to run on the eve of federal elections.

This is a problem on both sides of politics. Of the 10 most expensive politicised federal campaigns in the past 13 years, half were approved by Labor governments, and half by Coalition governments. Similarly, state Labor and Coalition governments have been criticised for politicising their advertising too.

Weaponising taxpayer-funded advertising for political advantage also creates an uneven playing field in elections. In the lead up to the 2019

election, the federal government spent about \$85 million of taxpayers' money on politicised campaigns, on par with the combined spend by political parties on TV, print, and radio advertising. Oppositions, minor parties, and independents have no such opportunity to exploit taxpayers' money for saturation coverage.

The rules to constrain politicisation of advertising are weak, and the new federal government has watered them down even further. It has effectively abolished the independent committee that formerly reviewed campaigns for politicisation.

Australia needs better rules and processes at federal and state levels to prevent governments from politicising taxpayer-funded advertising.

Government advertising campaigns should be allowed only where they are necessary to encourage specific actions or drive behaviour change. Campaigns that promote government policies or programs, without a strong call-to-action, should be prohibited.

An independent panel should assess government advertising campaigns before they are launched. If the panel deems a campaign to be politicised, it should not run. If the panel signs off on a campaign, the government should then not be able to change it.

These rules and processes should be legislated, and carry real penalties. If an Auditor-General finds that a campaign was launched by the government without certification from the independent panel, the governing party should be liable to pay back the cost of the campaign.

Australians cannot rely solely on weak 'guidelines' and the goodwill of ministers to prevent misuse of public money on politicised advertising. It is time to ensure that taxpayer-funded advertising is solely for the benefit of the public, not politicians.

## Recommendations

### Legislate tighter rules for taxpayer-funded advertising

1. Taxpayer-funded advertising campaigns should encourage specific actions or drive behaviour change.
2. Campaign messages should be instructive, and the spending proportionate to achieving the purpose. The campaign should be timed to run when it will be most effective.
3. Campaign materials should not promote the government, or the party in government, or their policies.

### Strengthen the approval process

4. An independent panel should assess compliance of final campaign materials against the rules. If the panel deems a campaign to be politicised, or otherwise not value for money, it should not run.
5. The Finance Department should report on campaigns in real-time, including costs and compliance with the rules.

### Enforce the rules with real penalties

6. Auditors-General should conduct regular reviews of government advertising. If an Auditor-General finds that a campaign was approved by the minister without certification from the independent panel, or that the minister changed the campaign after certification, the governing party should be liable to pay the entire cost of the campaign.

## Table of contents

Overview . . . . .	3
Recommendations . . . . .	4
1 Taxpayer-funded advertising is not for political messages . . . . .	6
2 Governments use taxpayer-funded advertising for political advantage . . . . .	12
3 A better approach to taxpayer-funded advertising . . . . .	22
Appendix . . . . .	29

## 1 Taxpayer-funded advertising is not for political messages

Every day, federal and state governments make decisions that affect the lives of Australians. Australia's prosperity depends on these decisions being made in the public interest, rather than the decision-maker's self-interest or party-political interests.

Elections and anti-corruption laws provide important checks on the conduct of governments. But there are thousands of decisions made by ministers and public officials where these defences provide only limited constraint. Historically, Australia has relied on a combination of targeted rules and norms, particularly ministerial accountability, to ensure that smaller and less-visible decisions are made in the public interest.

Grattan Institute's *New politics* series of reports shows that in many cases federal and state governments have subverted these checks and made decisions with an eye to party-political interest.<sup>1</sup>

This report shines a light on misuse of taxpayer-funded advertising.<sup>2</sup> Politicisation of taxpayer-funded advertising wastes money, creates an uneven playing field, and over time can erode trust in politicians and democracy. It is against the public interest.

### 1.1 Taxpayer-funded advertising is for important public messages

Taxpayer-funded advertising is for the government of the day to communicate important information to the public, such as encouraging

behaviour change, and promoting compliance with laws.<sup>3</sup> These campaigns should have a clear public purpose and should offer value-for-money in achieving their purpose.

Justified taxpayer-funded advertising might include, for example, public campaigns to remind people to get their COVID-19 booster shots, or information on how victim-survivors of family violence can get help.

Taxpayer-funded advertising is different to political advertising, which is funded by political parties themselves, not the taxpayer (see Box 1).

#### Box 1: Political advertising is different

Political advertising seeks to promote a political party, candidate, or political agenda. These ads are usually funded by political parties themselves, but can also be funded and distributed by others who want to influence voters and can afford to do so.

Political ads appear with authorisation of the political party (or the third party) that funded it, whereas taxpayer-funded ads appear with authorisation of the government.

When it comes to the content of political ads, there is almost no oversight. In contrast, taxpayer-funded ads are supposed to be apolitical and objective. This report is focused on taxpayer-funded advertising, not political advertising.<sup>a</sup>

a. See more in Stobart and Griffiths (2022).

1. The first report recommended a better process for making public appointments: Wood et al (2022a). The second report focused on how to prevent pork-barrelling of government grants: Wood et al (2022b).
2. Note this report focuses on paid campaigns, which can include advertising on any media platform. Non-campaign advertising is beyond the scope of this report, but is much less vulnerable to politicisation because it usually includes recruitment advertising, public notices, and tender notices.

3. Political scientist Professor Sally Young says it should be 'used only for necessary government information campaigns which are neutral in manner and not liable to be perceived as creating a partisan benefit for the ruling party': Young (2006, p. 1).

But sometimes governments use taxpayer-funded advertising to communicate political messages (see Chapter 2).

## 1.2 Governments spend big on advertising

Over the past 10 years, Australian governments have spent nearly \$450 million a year, on average, on advertising campaigns.<sup>4</sup> Even before the COVID-19 pandemic, the federal, NSW, and Victorian governments each spent more than most big private companies, including Toyota, McDonald’s, and Foxtel (see Figure 1.1).

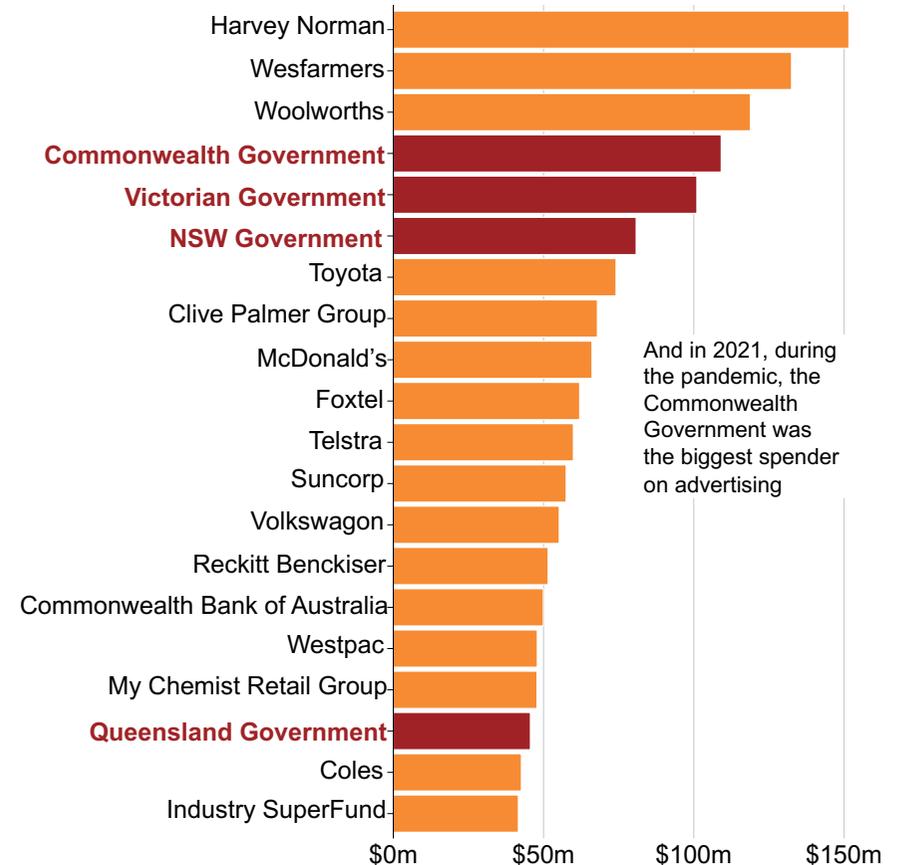
Over the past 25 years, the federal government has spent on average about \$200 million a year on advertising (in today’s dollars).<sup>5</sup> Spending fluctuates with events and elections, but has remained relatively stable over this period.

Australia’s federal government advertising spend is much higher, per person, than similar countries such as the UK and Canada.<sup>6</sup>

The biggest topics for federal government advertising spending are defence force recruiting and health (see Figure 1.2). Typical state government advertising campaigns include, for example, workplace

4. This is an average of annual reported expenditure on government advertising campaigns between 2011-12 to 2020-21 by the federal, NSW, Victorian, Queensland, WA, and SA governments, adjusted to 2020-21 dollars.
5. About \$150 million per year on average is spent on media placement: Department of Finance (2022a, pp. 29–31). Campaign development costs typically represent about 25 per cent of the cost of an advertising campaign.
6. Using an average over five years (2016-17 to 2020-21), the Australian government spends about \$7AUD per person per year, compared to the UK federal government that spends about \$4.50AUD, and the Canadian federal government that spends about \$2AUD per person per year. A 2006 study showed Australia was the 5th-highest spending government in the world (for countries where the national government ranks in the top ten advertisers), spending more per person than most comparable countries such as Canada, the US, and NZ: Young and Tham (2006, p. 79).

**Figure 1.1: Governments are a major source of the ads on our screens**  
Annual media placement expenditure, 2018-19



And in 2021, during the pandemic, the Commonwealth Government was the biggest spender on advertising

Note: Media placement expenditure does not include campaign development costs.  
Sources: Grattan analysis of Pash (2019) and B&T Magazine (2022).

health and safety, road safety and emergency management, and health and family services.

Much of the spending is on important public messages, but not all of it. Some campaigns are politicised (see Chapter 2).

### 1.3 Politicisation of taxpayer-funded advertising is against the public interest

Australians place trust in our elected officials to make decisions on our behalf, including on how public funds are spent. This trust is reinforced by a raft of rules and guidelines to help public officials make decisions that ‘advance the common good of the people of Australia’.<sup>7</sup>

Codes of conduct for ministers at both federal and state levels outline the ethical standards required in the job, given their position of privilege and wide discretionary powers. These codes require ministers to wield their powers solely in the public interest.<sup>8</sup>

Despite these rules and norms, federal and state governments on both sides of politics have sometimes spent public money to meet partisan goals rather than purely in the public interest.<sup>9</sup> Politicisation of taxpayer-funded advertising is another example of this.

As Professor Joo-Cheong Tham argues: ‘Government advertising to reinforce positive impressions of the incumbent party is a form of institutional corruption – it is the use of public funds for the illegitimate purpose of electioneering’.<sup>10</sup>

7. Department of the Prime Minister and Cabinet (2022, clause 14.2).

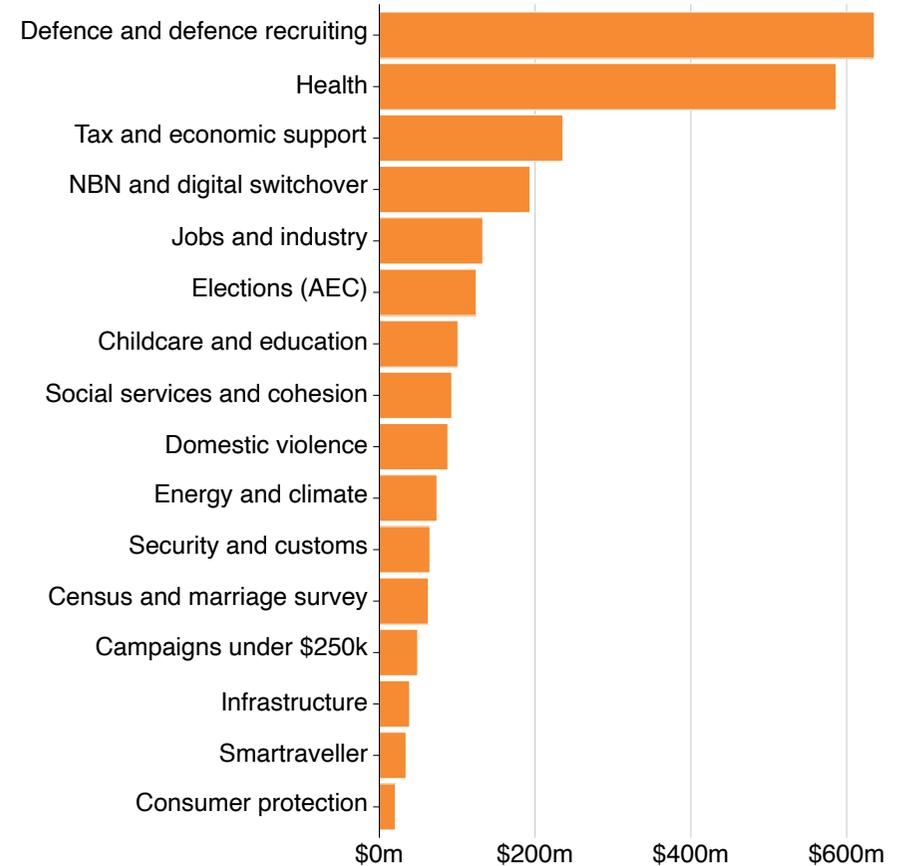
8. For example: ‘Ministers are expected to conduct all official business on the basis that they may be expected to demonstrate publicly that their actions and decisions in conducting public business were taken with the sole objective of advancing the public interest’: Department of the Prime Minister and Cabinet (ibid).

9. Wood et al (2022a); and Wood et al (2022b).

10. Tham (2019).

**Figure 1.2: Defence and health are the biggest areas of spending for taxpayer-funded advertising**

Money spent on federal government advertising campaigns, 2008-09 to 2020-21



Notes: AEC = Australian Electoral Commission. Expenditure reported collectively in 2020-21 dollars.

Source: Grattan analysis of Department of Finance (2022a).

### 1.3.1 Politicised advertising is a waste of taxpayer money

Politicising public money is wasteful because it means there is less money to spend on higher-value projects or purposes.<sup>11</sup>

Between 2008-09 and 2020-21, we estimate that \$630 million – a quarter of all taxpayer-money spent on campaign advertising – was spent on politicised campaigns.<sup>12</sup> This equates to nearly \$50 million a year on average. That money could instead have been spent on more valuable campaigns, or on higher-value spending to improve the lives of Australians.

The mere perception that an advertising campaign is politicised is enough to undermine its effectiveness. As noted by the Queensland Audit Office:<sup>13</sup>

Messages that are seen to be intended to affect public opinion about the political party in government (rather than about the government services being delivered) have the potential to diminish: the value of the messages being conveyed; the effectiveness of the expenditure; [and] public perception of the legitimacy of the advertising campaign.

Governments already get a lot of free publicity through traditional media and have large reach through social media. If they want to convey a political message outside of these channels they should advertise using party funds, rather than drawing on the public purse.

### 1.3.2 Politicised advertising creates an uneven playing field

Politicised advertising can create an uneven playing field, especially close to elections. Governments exploit their incumbency to spend

11. The 2005 Senate Inquiry on Government Advertising and Accountability noted that public monies should not be spent without adequate justification, given that ‘every million dollars that is spent on an advertising campaign is a million dollars that is not spent on education, health, national security or the environment’: Senate Standing Committees on Finance and Public Administration (2005, p. xvii).
12. In 2020-21 dollars.
13. Queensland Audit Office (2017, p. 1).

big on advertising to boost their image. This creates an unfair disadvantage for opposition parties and candidates.<sup>14</sup>

In the nine months leading up to the 2019 federal election, political parties spent a combined \$82 million on *party-funded* TV, print, and radio advertising.<sup>15</sup> Over the same period, the federal Coalition government spent about \$85 million on *taxpayer-funded* politicised advertising campaigns.<sup>16</sup> Opposition parties and independent candidates have no such opportunity to use taxpayer money to achieve saturation coverage.

### 1.3.3 Politicised advertising undermines public trust

Misuse of government advertising for political purposes also contributes to an erosion of public trust.<sup>17</sup> Using taxpayers’ money to promote a government’s reputation makes it obvious to citizens that governments are willing to put their own political interests ahead of the public interest.

This conduct contributes to cynicism about politicians’ behaviour and motives more broadly.

Such cynicism is on the rise. Three-quarters of Australians suspect governments make decisions for political gain over the public interest,

14. Incumbents already have other advantages, such as MP allowances.
15. According to B&T Magazine (2019). This covers the period September 2018 to May 2019, and does not include parties’ expenditure on billboards, pamphlets, and digital advertising.
16. Grattan Institute analysis. This summarises expenditure on politicised campaigns between September 2018 and May 2019.
17. The 2005 Senate Inquiry on Government Advertising and Accountability noted that governments should be held accountable for their expenditure on government advertising because there is a ‘need to ensure that the democratic process is not gradually undermined through the use by incumbent governments of publicly funded ‘spin’ or propaganda to manipulate public opinion’: Senate Standing Committees on Finance and Public Administration (2005, p. xvii).

up from 58 per cent 15 years ago. Over this period there has also been a rise in the proportion of people not satisfied with democracy (Figure 1.3). At the 2022 federal election there was a record vote for minor parties and independents.<sup>18</sup>

Trust matters to the legitimacy of government and its ability to get things done.

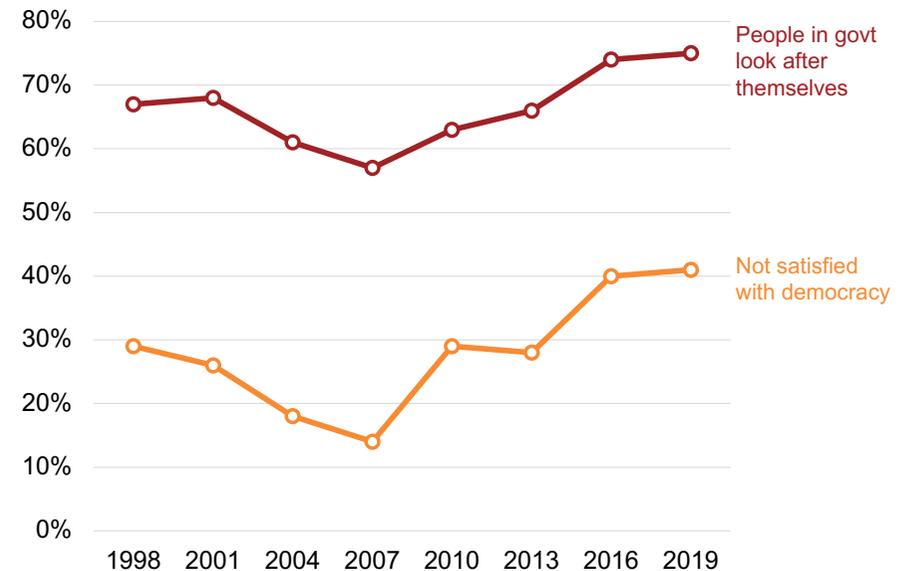
Politicising taxpayer-funded advertising can undermine trust in government messaging more generally. It could diminish the government's ability to effectively communicate important messages, such as encouraging people to get a vaccination.<sup>19</sup>

Existing rules and norms are not enough. Politicisation of taxpayer-funded advertising, by federal and state governments, still appears common despite many scathing audit reports.<sup>20</sup>

Some politicians even defend this behaviour. For example, former prime minister Scott Morrison defended spending on taxpayer-funded advertising in the lead up to the 2019 federal election as 'entirely appropriate for Australians to understand what their government is doing'.<sup>21</sup> And after the Victorian Auditor-General found that the state government's Our Fair Share campaign was politicised, Premier Daniel Andrews said: 'The Auditor-General's entitled to their view, [but the] government believes we complied with all relevant matters and we wouldn't hesitate to run that campaign again'.<sup>22</sup>

**Figure 1.3: Australians suspect governments make decisions for political gain over the public interest**

Proportion of survey respondents who agree



Source: Australian Election Study (2020, latest survey 2019 election).

18. The minor-party vote is often a protest vote (see Wood et al (2018)), but many minor parties and independents also stood at the 2022 election on a platform of integrity policies.

19. For example, only 15 per cent of people who were hesitant about getting a COVID vaccine in April 2021 said that a recommendation by government would persuade them: Duckett et al (2021, p. 36).

20. See Chapter 2.

21. Karp (2019).

22. Karp (2022).

Given the limitations set out above, there is a case to codify expectations and to introduce more checks and balances on the use of public money.

#### 1.4 Structure of this report

The remainder of this report examines politicisation of taxpayer-funded advertising and what can be done to ensure advertising campaigns are always in the public interest.

**Chapter 2** identifies three characteristics of politicisation, and shows that governments often spruik their own performance and spend big just before elections.

**Chapter 3** recommends a better approach to approving taxpayer-funded advertising in Australia.

This report is the third and final in Grattan Institute's *New politics* series on misuse of public office for political gain. The first report tackled politicisation of public appointments, and the second focused on pork-barrelling of government grants.<sup>23</sup>

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23. Wood et al (2022a); and Wood et al (2022b).

## 2 Governments use taxpayer-funded advertising for political advantage

Advertising campaigns are a powerful way to influence public opinion and change behaviour.

While there are many legitimate uses of taxpayer-funded advertising, our analysis shows that governments at both federal and state levels, and on both sides of politics, sometimes run advertising campaigns with strong political overtones. Party slogans or colours are used, and large sums of taxpayer money is spent spruiking government achievements, with expenditure spiking in the lead up to elections.

### 2.1 Many big campaigns appear politicised

Misuse of taxpayer-funded advertising campaigns is rife. At the federal level, nearly \$50 million each year on average is spent on campaigns that we have assessed as conferring a political advantage (see Box 2).

We estimate that over the past 13 years, about two of the five biggest federal government campaigns each year have been politicised (see Figure 2.1). And there are many examples of politicisation at the state level too.

The Australian National Audit Office (ANAO) has criticised many campaigns in its audits. Grattan analysis of ANAO reports shows that nearly 40 per cent of audited campaigns were not value for money, and 30 per cent lacked objectivity or evidence (see Figure 2.2 on page 14). State auditors-general have made similar criticisms of state government advertising campaigns.<sup>24</sup>

24. For example, NSW Auditor-General reports show that 35 per cent of the campaigns it audited between 2009 and 2020 failed to demonstrate value for money, 18 per cent lacked objectivity or were inaccurate, and 12 per cent were explicitly politicised.

### Box 2: What makes a campaign politicised?

We analysed every federal government advertising campaign between 2008-09 and 2020-21, and identified three main characteristics of politicisation:<sup>a</sup>

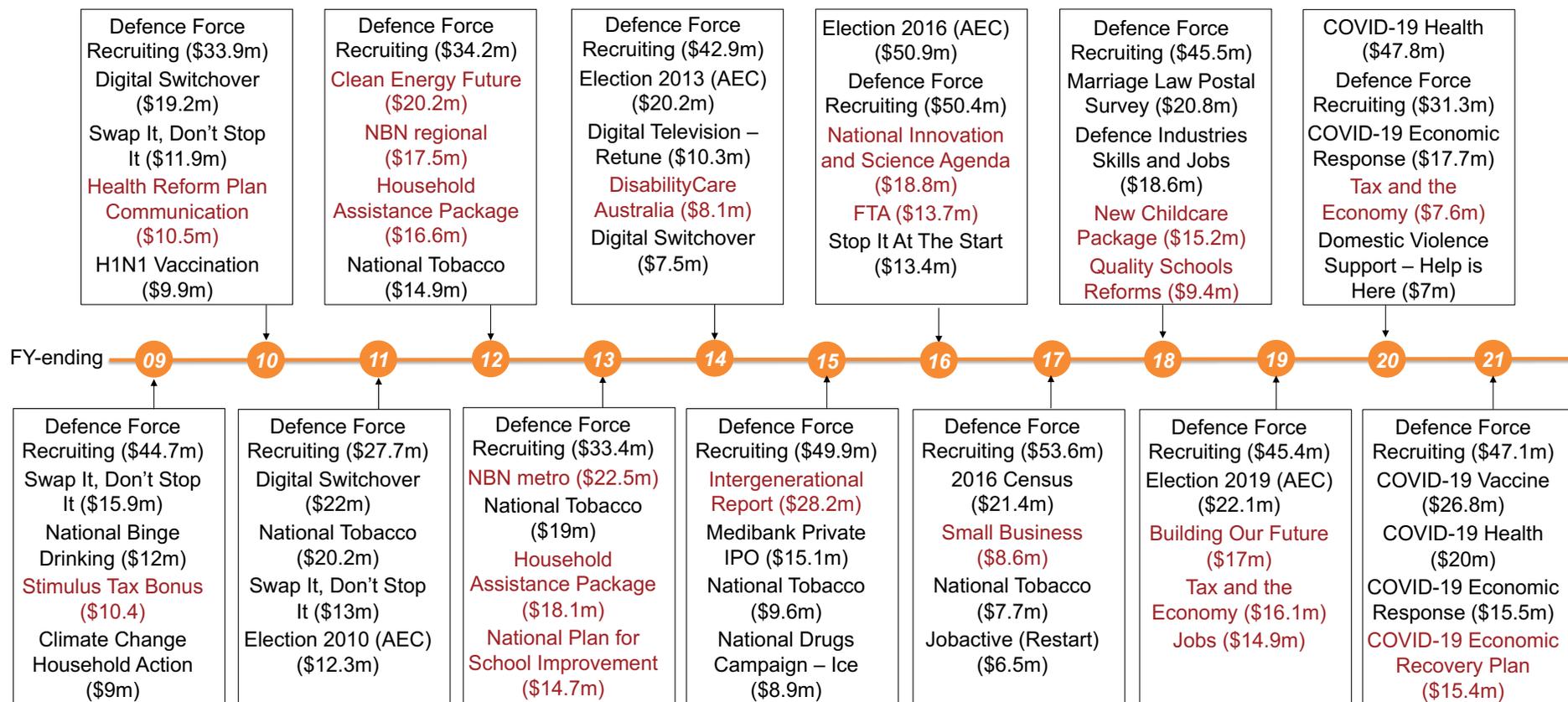
1. Campaign materials included political statements, party slogans, or overt party colour schemes.
2. The campaign was skewed to run in the lead up to an election.<sup>b</sup>
3. A key purpose of a campaign was to spruik the government's policies or performance.<sup>c</sup>

For this report, we flagged campaigns with one or more of these features as politicised.

Politicised campaigns do not look to be made solely in the public interest, but instead have an element or elements that seek to confer a political advantage. Examples of our classifications are included in Table 2.1 on page 16 so readers can see how we exercised these judgments.

- a. We drew on information in Department of Finance annual reports (see Department of Finance (2022a)), as well as any other campaign material available online, including Auditor-General reports.
- b. This is where campaigns that ran for a year or less had 50 per cent or more spending in the 4 months preceding an election, and multi-year campaigns had 50 per cent or more spending in the six months preceding an election. Campaigns that did not spruik government policy and had an obvious policy reason for their timing were excluded.
- c. Even if the campaign included a call-to-action, if that was not the *main* component, we flagged it as politicised.

Figure 2.1: Each year, about two of the five biggest federal government campaigns have a political angle



Notes: Red means it was politicised (see Box 2). AEC = Australian Electoral Commission. NBN = National Broadband Network. IPO = Initial Public Offering. FTA = Free Trade Agreement. Nominal cost, GST excluded.

Source: Grattan analysis of Department of Finance (2022a).

This is a problem on both sides of politics. Of the 10 most expensive politicised federal campaigns in the past 13 years (Table 2.1), half were approved by Labor governments and half by Coalition governments.

## 2.2 There are three main characteristics of politicisation

Taxpayer-funded advertising is never as overtly political as party-funded advertising, but still often contains elements aimed at securing an electoral advantage. We have categorised campaigns as politicised if they promote a party, spruik the government’s policies, or spending is heavily concentrated in the period immediately before an election (see Box 2). Some campaigns meet two or more of these characteristics (see Table 2.1).

For example, the stated purpose of the \$29 million Powering Forward campaign (2017 to 2019) was to raise awareness of the federal government’s efforts to reduce power costs, and to provide information about how people could lower their energy bills. But this campaign had many questionable elements: the media release launching the campaign contained overtly political statements,<sup>25</sup> spending on the campaign spiked in the lead-up to the 2019 election,<sup>26</sup> and government achievements dominated the messaging, with little useful information for people on how to reduce their own power bills.<sup>27</sup>

When a campaign is politicised, it doesn’t necessarily mean it was conceived solely for a political purpose. But the problem is there

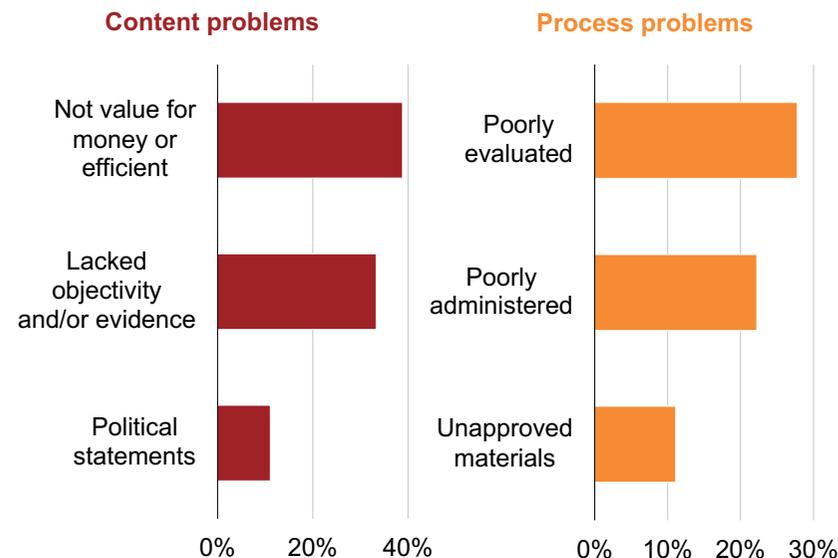
25. ‘The Liberal and Nationals Government is continuing to take action so more Australians pay less for their electricity’ and ‘While Labor sides with the big energy companies – we will always put customers first’: Taylor (2018). This was also criticised by the ANAO, which said there was ‘a similarity in tone and content between campaign advertising statements and ministerial media releases’: ANAO (2019, p. 54).

26. See Figure 2.5 on page 18.

27. The ANAO found that despite evaluations showing the campaign had very little impact, two more phases of the campaign, worth \$15 million, were rolled out: Whyte (2019) and ANAO (2019, p. 59).

**Figure 2.2: The Australian National Audit Office has identified many problems with federal advertising campaigns**

Percentage of campaigns audited by the ANAO that had the following problems, 2010-11 to 2020-21



Notes: 18 campaigns audited by the ANAO over 10 years. Some campaigns had multiple failings so are counted in more than one category.

Source: Grattan analysis of ANAO reports, 2010-11 to 2020-21.

shouldn't be any confusion – government messages should not morph into political ones.

### 2.2.1 Promoting a political party

Naming political parties and including party logos in taxpayer-funded advertising are clear cases of politicisation. These ads should be funded by the party, not the taxpayer.

Usually it is more subtle, such as the use of party colour schemes, slogans, or political tone. And sometimes politicians deliberately blur the lines on social media (see Box 3 on page 19).

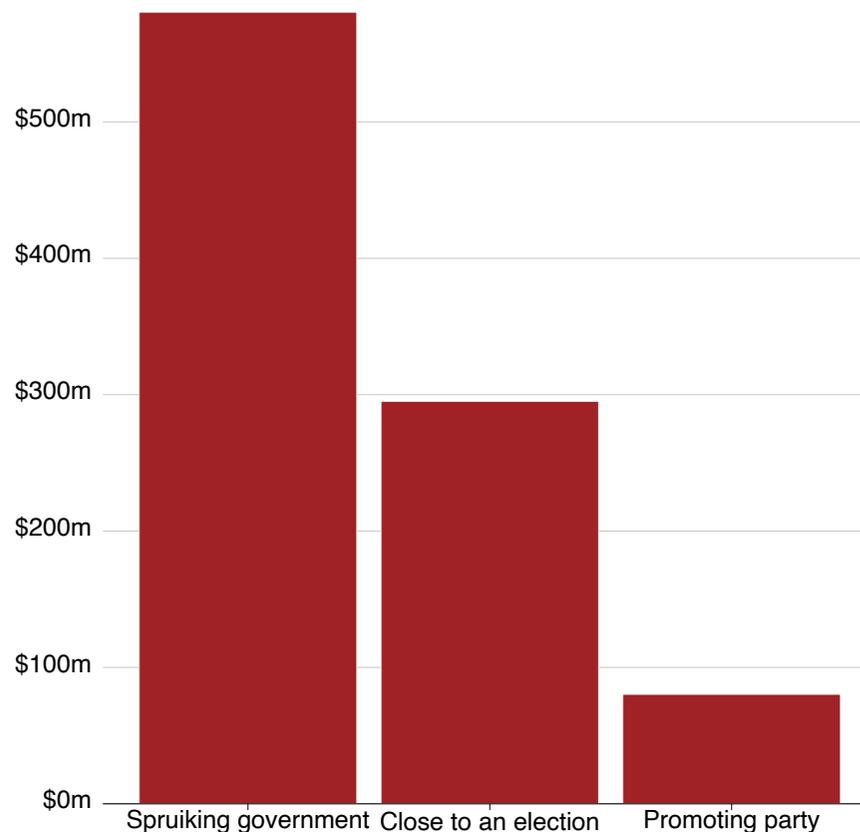
Government guidelines prohibit advertising that promotes party-political interests (see Appendix). But it can still slip through: our estimates indicate about \$80 million was spent over the past 13 years on campaigns that promoted political parties (see Figure 2.3).

In early 2022, the then federal government published ads in major newspapers that used a blue colour scheme – similar to the Liberal Party blue – alongside a vague statement promoting the government's economic policy: *'Australia's Economic Plan: Employment is up, so we're taking the next step'* (see Box 4 on page 20).

Party slogans in government ads also blur the lines between government messaging and party messaging. In 2015-16, the federal government was accused of using variations of its party slogan *'There's never been a more exciting time to be Australian'* in its National Innovation and Science Agenda campaign, which aired while the government was pushing its innovation package through parliament.<sup>28</sup>

28. ANAO (2016). Labor MP Pat Conroy said the slogan was 'attributable to the prime minister ... [because it had] been repeatedly used by [Malcolm] Turnbull, including in comments made on his assumption of the leadership of the federal Liberal Party in September 2015': Hickman (2016).

**Figure 2.3: Hundreds of millions have been spent by the federal government on politicised advertising campaigns over the past 13 years**  
Estimated total spending on politicised advertising by characteristic, 2008-09 to 2020-21



Notes: Expenditure reported in 2020-21 dollars. Some campaigns had multiple characteristics of politicisation, so are counted in more than one category.  
Source: Grattan analysis of Department of Finance (2022a).

**Table 2.1: The top 10 most expensive politicised federal government campaigns**

<b>Campaign</b>	<b>Period</b>	<b>Cost</b>	<b>Stated purpose</b>	<b>Promoting party</b>	<b>Close to election</b>	<b>Spruiking government</b>
National Broadband Network	2010 – 2013	\$60m	To inform the public about the NBN initiative, and to aid in understanding the cost, type, and quality of service of the NBN.		✓	✓
Household Assistance Package	2011 – 2013	\$40m	To increase awareness and understanding of the payments, tax cuts, and entitlements among those who will benefit (low to middle income households).			✓
Building our Future	2016 – 2021	\$39m	To increase Australian road users' knowledge on why the government invests in transport infrastructure and build awareness of its benefits.		✓	✓
Intergenerational Report	2014 – 2015	\$31m	To encourage Australians to form their own opinion about Australia today and beyond.			✓
Powering Forward	2017 – 2019	\$29m	To raise awareness and understanding of government actions to secure affordable and reliable energy, and to provide practical information on how to lower energy bills.	✓	✓	✓
Tax and the Economy	2019	\$24m	To inform Australians about changes to personal income and business tax.		✓	✓
Clean Energy Future	2011	\$24m	To inform Australians about the context and objectives of the government's climate policies, including a carbon price, and how these policies would affect them.			✓
National Plan for School Improvement	2013	\$23m	To inform parents, educators, and the general public about the changes to the schooling system and how the proposed reforms would affect schools and the education of students.		✓	✓
National Innovation and Science Agenda	2015 – 2016	\$20m	To inform Australians of the initiatives being implemented by the government to boost Australia's innovation and science capacity and capability.	✓	✓	✓
DisabilityCare	2013 – 2014	\$19m	To communicate the rationale for the NDIS, how the initiative will work, and results it will deliver.		✓	✓

*Notes: Cost is adjusted to 2020-21 prices, excluding GST. The National Broadband Network campaign includes the metropolitan, regional, and education and information campaigns. Stated purposes have been abbreviated.*

*Source: Grattan analysis of Department of Finance (2022a).*

A political tone in advertising also points to politicisation. In 2022, the Victorian Auditor-General found that most of the ads in the Labor state government’s Our Fair Share campaign were political.<sup>29</sup> The campaign advocated for more Commonwealth funding for Victoria and the ads used emotive, politicised language criticising the then federal government, such as ‘don’t let Canberra short-change our kids’.

### 2.2.2 Close to elections

Taxpayer-funded advertising campaigns that are timed to roll out just before elections would appear to confer a political advantage. There is no reason Australians should see more public-interest campaigns in an election period, compared to a non-election period.<sup>30</sup>

Yet in the lead up to each federal election, federal government spending on advertising spikes (see Figure 2.4). Between 2008-09 and 2020-21, nearly \$300 million was spent on taxpayer-funded campaigns timed for an election (see the middle column on Figure 2.3).

Election-timed campaigns often run exclusively during the pre-election period, and not at any other time during that government’s term in office. Some campaigns also appear timed to run before by-elections, such as the five ‘Super Saturday’ by-elections in 2018.<sup>31</sup>

An otherwise-legitimate campaign might be strategically run pre-election to encourage a positive impression of the government. But usually pre-election advertising also contains messages that look politically-motivated – promoting the government’s policy platform on key election issues. For example:

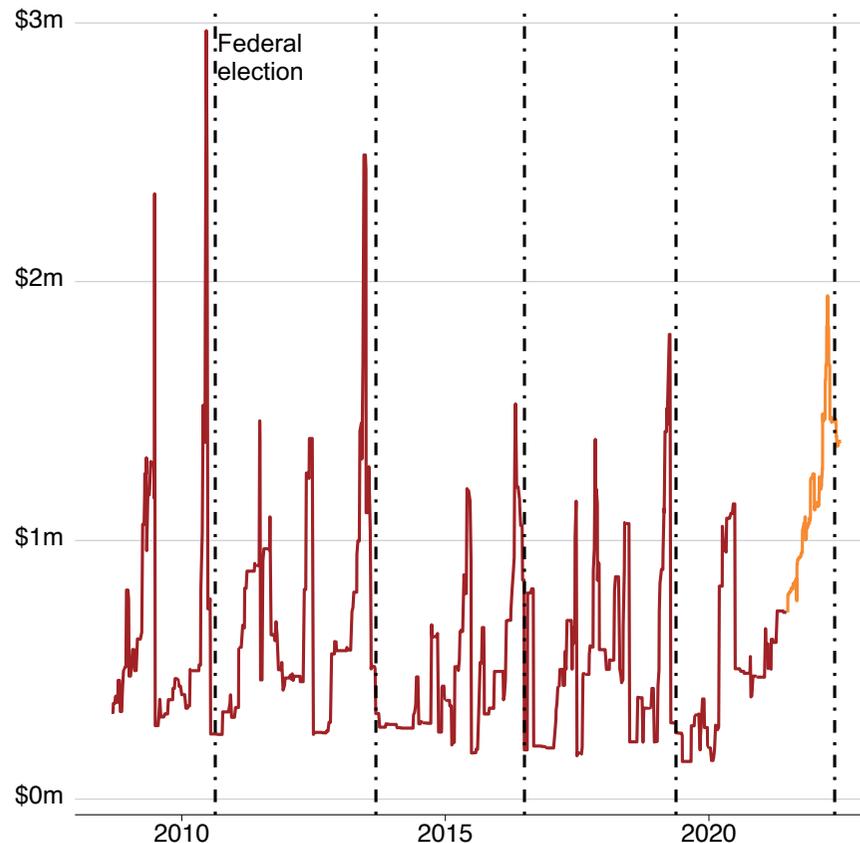
29. Victorian Auditor-General’s Office (2022, p. 1).

30. Except for advertising from the Australian Electoral Commission about the election itself, which we have excluded from this analysis.

31. For example, the Jobs campaign had a spike in spending the month before the Super Saturday by-elections.

**Figure 2.4: Government advertising spikes close to elections**

Spending per day on federal government advertising campaigns, June 2022 dollars



Notes: Department of Finance annual report data is indicated in red, and goes up to 30 June 2021. Austender data is indicated in orange. Excludes all Australian Electoral Commission advertising campaigns. Assumes spending was even across campaign or contract period. Austender data may include some non-campaign spending, but it was excluded as far as possible. Advertising campaigns or contracts that ran for only one or two days were also excluded.

Sources: Grattan analysis of Department of Finance (2022a), Austender (2022a) and Austender (2022b).

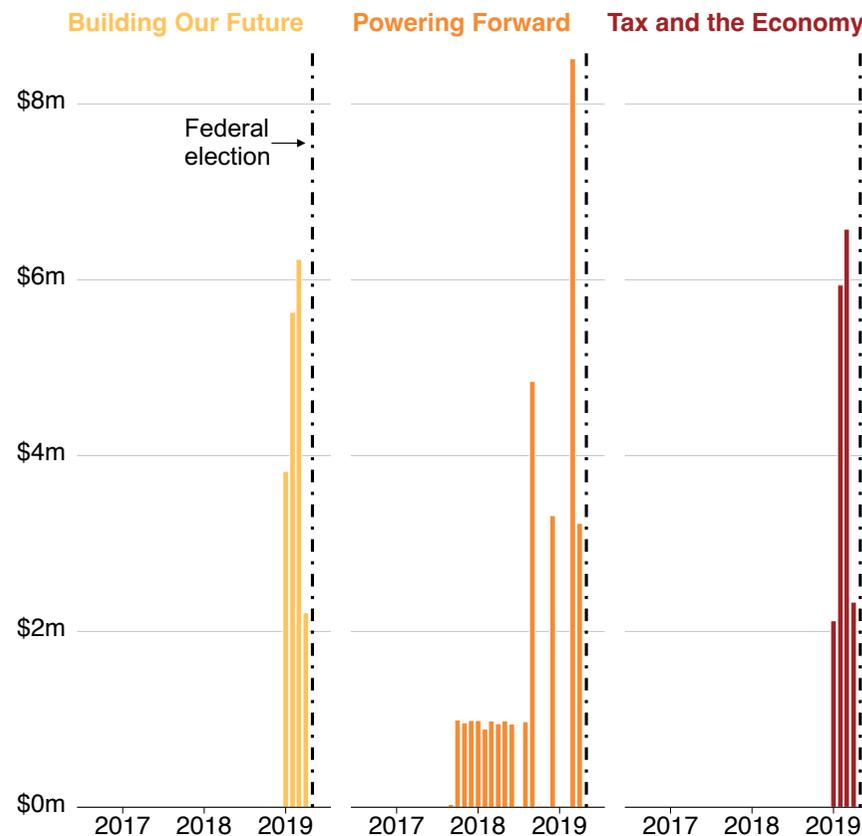
- In the months before the 2013 federal election, the Anti-people Smuggling communications campaign was run at a time when ‘stopping the boats’ was a live debate.
- Before the 2019 federal election, the Tax and the Economy campaign promoted the government’s tax cuts in line with the government’s ‘lower taxes’ election platform (see Figure 2.5).
- Before the 2020 Queensland election, the state government ran a campaign spruiking the government’s COVID-19 economic recovery plan.<sup>32</sup>
- Before the 2022 South Australian election, the state government ran a campaign spruiking its investments in the health system.<sup>33</sup> Performance of the health system was a key state election issue.<sup>34</sup>

### 2.2.3 Spruiking the government

Spruiking the government of the day is the most common way to politicise taxpayer-funded advertising.

Many taxpayer-funded advertising campaigns use messaging that creates a positive image of the government’s performance.<sup>35</sup> Between 2008-09 and 2020-21, about \$580 million – or 20 per cent of all expenditure on government advertising campaigns – was on these sorts of campaigns that deliver positive messages about the actions and policies of the government of the day without a strong call-to-action (see the first column in Figure 2.3).

**Figure 2.5: Some campaigns are timed to appear close to elections**  
Federal government spending per month in the lead up to the 2019 federal election, June 2021 dollars



Notes: Excludes all Australian Electoral Commission advertising campaigns. Assumes spending was even across campaign period.

Source: Grattan analysis of Department of Finance (2022a).

32. Elks (2021).

33. Opie (2021).

34. Dornin (2022).

35. High Court Justice Michael McHugh in the *Combet* case described these types of campaigns as ‘feelgood’ ads: Tham (2019).

### No call-to-action

Notably, many of the campaigns that spruik government policies lack a call-to-action which might justify them on public-interest grounds.

The \$39 million Building Our Future campaign aimed to promote the federal government's investments in transport infrastructure (see Table 2.1 on page 16). But there was nothing specific that the government needed people to do. Instead, the campaign generated feel-good messages about the infrastructure pipeline. The Australian National Audit Office found that the campaign's messages exaggerated the federal government's involvement in transport infrastructure.<sup>36</sup>

Nor were there any calls-to-action in the Anti People-Smuggling communications campaign, used by both major parties when in office, which included ads in Australian newspapers about the government's tough stance on boat arrivals (see Box 4 on the following page).

State governments do it too. For example, the WA Bigger Picture campaign, which ran from 2012 to 2016, promoted the government's investments in infrastructure projects, such as upgrading a regional boarding school.<sup>37</sup> And the Queensland government spent more than \$8 million on two campaigns in 2020-21 to 'inform Queenslanders of the state's recovery plan'.<sup>38</sup>

### Box 3: Party logos on social media

Politicisation of government communications on social media – including the use of party logos and party colours – inappropriately gives credit to a political party for government decisions that use taxpayer money.

Politicians in government often use this form of politicised messaging.<sup>a</sup> One of the more egregious examples was then health minister Greg Hunt's use of the Liberal Party logo on a tweet in early 2021 announcing that the federal government had purchased an additional 10 million Pfizer vaccines.<sup>b</sup>

Unpaid social media posts fall outside government advertising guidelines, because they are not taxpayer-funded, but codes of conduct ought to still prevent this behaviour.

- a. For example: Coleman (2019), McCormack (2020), McCormack (2021) and Albanese (2022).
- b. Hunt (2021).

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36. The ANAO said the 'campaign materials were not always presented in an objective and fair manner, with some campaign statements not accurately representing the Australian Government's level of involvement in some projects featured in advertising materials': ANAO (2022, p. 12).

37. O'Connor (2015).

38. Bavas (2022). Opposition Leader David Crisafulli said: 'People will accept advertising with a message, what they won't accept is advertising to tell them how great the government is – and increasingly the line is being blurred'.

**Box 4: Opposition MPs and cross-benchers often criticise government advertising that looks politicised**

Labor Senator Tim Ayres on the **COVID-19 Economic Recovery Plan campaign** (2022): *What possible public purpose is there in, 'Australia's Economic Plan – we're taking the next step'? What is it asking people to do apart from vote Liberal?*<sup>a</sup>

Labor's Chris Bowen on the **Tax Integrity campaign** (2019): *This is a blatant waste of taxpayers' money spent on government propaganda.*<sup>b</sup>

Chris Bowen on the **Intergenerational Report campaign** (2015): *Whether it goes to schools, hospitals, or pensions, there are literally hundreds of ways taxpayer money could be better spent than on promoting [then treasurer Joe Hockey's] politicised [intergenerational report].*<sup>c</sup>

Labor's Mark McGowan on the WA **Bigger Picture campaign** (2015): *We all know that this is a highly politicised campaign in which this*

*government is spending more than \$8 million in a desperate attempt to get himself re-elected... The Liberal Party and the National Party should spend that money, not the taxpayers of Western Australia.*<sup>d</sup>

Liberal Paul Fletcher on the **National Broadband Network campaign** (2013): *What [the marketing spend] points to is the extent to which the NBN has been driven by political imperatives and a need to create a giant information campaign – that's obviously the principal priority that's being pursued.*<sup>e</sup>

Former minor-party senator Nick Xenophon on the **Anti People-Smuggling communication campaign** (2013): *[The ads are] a cheap way for the ALP [to] do its blatantly political advertising at taxpayers' expense. I mean really – how many people-smugglers in the outer suburbs of Jakarta subscribe to the Adelaide Advertiser.*<sup>f</sup>

- a. Dusevic (2022).
- b. Osborne (2019).
- c. Medhora (2015).
- d. O'Connor (2015).
- e. Hutchinson (2012).
- f. Christensen (2013).

### Not value for money

Even when spruiking campaigns have a call-to-action, those calls tend to be only a small part of the ad, or not communicated in an effective way.<sup>39</sup>

Victoria's Big Build campaign had a lot of messaging about the government's investments in transport projects. The state Auditor-General found that some ads 'focused more on the Victorian Government's projects than the disruptions'. Some ads would merely refer people to a website or ask them to call a number, rather than say when and where the disruptions would occur. And some ads were 'designed in a way that could easily be seen to influence public sentiment about the current Victorian Government'.<sup>40</sup>

The ANAO found that the National Broadband Network campaigns, which cost taxpayers about \$45 million,<sup>41</sup> were not value for money. The messages from the government and NBN Co partly overlapped.<sup>42</sup> The opposition said the ads were driven by 'political imperatives' (see Box 4).

Big, nation-wide campaigns that promote tax cuts or tax benefits do not look like value for money either. These automatic entitlements could, if

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39. For example, in the Powering Forward campaign, ads did not always direct viewers to information on how to reduce their energy bills, and evaluations showed the ads had limited impact on people's energy bills: see ANAO (2022, pp. 56–59).

40. Victorian Auditor-General's Office (2022, p. 18). The Victorian Auditor-General's report also made similar findings about the Our Fair Share campaign, highlighted in Section 2.2.1, stating that the: 'advertisements included content that could easily be seen as promoting current Victorian Government funding and criticising current Commonwealth Government funding'. Victorian Auditor-General's Office (ibid, p. 15).

41. In 2020-21 dollars.

42. The ANAO noted that 'the department was advertising in a market in which a Government Business Enterprise [the NBN Co] and retail service providers have commercial incentives to promote the benefits of the NBN to drive uptake by consumers when it becomes available in different areas': ANAO (2013).

needed, be communicated directly by the Australian Tax Office instead. There are a number of examples, including the \$13 million Stimulus Tax Bonus campaign (2009), the \$12 million Schoolkids Bonus campaign (2012-13), and the \$12 million Tax Integrity campaign (2017-18).<sup>43</sup>

### Garnering support for unimplemented policies

Governments also appear to use taxpayer-funded advertising to garner support for unimplemented policies.<sup>44</sup> For example, the \$24 million Clean Energy Future campaign (2011) ran before the carbon tax reforms were passed. The \$23 million National Plan for School Improvement campaign (2013) ran before the reforms were passed by parliament, and in states that had not signed on.<sup>45</sup> And the \$10 million Higher Education Reforms campaign (2014-15) ran before the reforms failed to pass the Senate and were ultimately dropped.<sup>46</sup>

This occurs at state level too. The \$4.5 million NSW 'Stronger Councils, Stronger Communities' campaign (2015-16) sought to build support for council mergers.<sup>47</sup> The advertising was expected to 'increase confidence of Members of the Legislative Assembly and Members of the Legislative Council to support the reform legislation'.<sup>48</sup>

These sorts of campaigns demonstrate the uneven playing field for governments and oppositions. And, as the ANAO has said, campaigns on unimplemented policies risk providing inaccurate information to the public.<sup>49</sup>

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43. See Box 4. Expenditure in 2020-21 dollars.

44. Seccombe (2016).

45. Department of Education, Employment and Workplace Relations (2013).

46. Expenditure in 2020-21 dollars.

47. New South Wales Auditor-General (2017, p. 8).

48. Ibid (p. 9).

49. 'Where legislation has not been passed before the launch of an advertising campaign, information in creative material which is presented as fact carries the risk of changing if the legislation is amended or not passed': ANAO (2012, p. 25).

### 3 A better approach to taxpayer-funded advertising

Australia needs better rules and processes to prevent politicisation of taxpayer-funded advertising. The current rules and processes are weak and largely unenforceable. The new federal government has made checks and balances even weaker.

Australia's federal and state governments should legislate tighter rules that limit the scope of taxpayer-funded advertising campaigns. Campaigns should run only if they encourage specific actions or seek to drive behaviour change in the public interest. Campaign material should not promote a party or the government. And campaigns should be timed to run when they will be most effective, not to cluster immediately before elections.

But better rules alone will not be enough. An independent panel should assess whether final campaign materials comply with the rules. And if the government subverts the process, the governing party should be penalised: the governing party, not taxpayers, should be liable to pay the costs of politicised advertising.

#### 3.1 Better rules

The current rules for taxpayer-funded advertising in Australia are largely ineffective in preventing politicisation (see Chapter 2). They look good on paper, but they are mostly voluntary 'guidelines',<sup>50</sup> and largely unenforceable (see Appendix).<sup>51</sup>

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50. With the exception of NSW, Victoria, and the ACT, which have legislated rules against politicisation. See Appendix.

51. Note that financial legislation also applies. For example, the federal *Public Governance and Performance Accountability Act 2013* requires that ministers must not approve expenditure unless the minister is satisfied that expenditure would be 'a proper use of relevant money'. 'Proper' use of public resources means efficient, effective, economical, and ethical. But there are no penalties under the Act for ministers who breach the law. See Wood et al (2022b, p. 22).

The rules should be strengthened across all jurisdictions. They should be made mandatory through legislation, and passed by parliament.<sup>52</sup> They should seek to minimise the three characteristics of politicisation identified in Chapter 2, and they should be able to be objectively applied.

#### 3.1.1 Campaigns should have a legitimate purpose

Taxpayer-funded advertising should be specifically reserved for situations where an advertising strategy is necessary to encourage specific actions or drive behaviour change.<sup>53</sup>

**Legitimate** purposes could include:<sup>54</sup>

- Encouraging people to use public sector products and services, such as public transport options, employment incentives, or services for victim-survivors of family violence.
- Promoting public safety or personal security, such as bushfire or workplace safety.
- Encouraging healthier living, such as anti-smoking or anti-drug campaigns.

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52. Finance departments should have stewardship of the rules.

53. Currently, most governments can use taxpayer money to advertise about anything related to government responsibilities, including raising awareness about government policies and programs: see Appendix.

54. Some examples are taken from the Victorian public interest purpose list. NSW campaigns costing more than \$250,000 must be peer-reviewed to assess whether they are needed, the campaign objectives are realistic, and there would be consequences if the campaign did not take place: Audit Office of NSW (2016, p. 2).

- Communicating community obligations, such as how to enrol in elections, or how to fill out the Census survey.
- Promoting a shift in community attitudes, such as positive sentiments about the value of teachers.
- Attracting tourists, such as international or state-based tourism campaigns.
- Recruiting staff to government roles, such as recruiting for the defence force.

**Illegitimate** purposes could include:

- Informing the public of government policies that don't require any action or behaviour change, such as automatic tax cuts.
- Informing the public of government policies, where the call-to-action is only a small part of the ad or not effectively communicated (such as visiting a government website).
- Building awareness of government achievements, such as its economic record or its investments in infrastructure.
- Promoting unlegislated policies to influence public sentiment.
- Promoting government positions or policies to counter dominant public narratives or opposition policies.
- An otherwise-legitimate campaign, specifically timed to run to provide political advantage (such as immediately before an election, see Section 3.1.2).

Of course, Australians have a right to information about what the government is doing, and how it affects them. But governments already have a huge platform to communicate with the public about their

#### Box 5: The UK prohibits spruiking of government policies in taxpayer-funded advertising campaigns

The UK explicitly prohibits taxpayer-funded advertising campaigns that promote government policies and achievements.<sup>a</sup> Under the UK *Communications Act 2003*, information campaigns should not:

- be directed towards a political end or be of a political nature;
- be partial;
- promote (i.e. sell) a government policy;
- influence public opinion on a matter of public controversy in the UK.

The UK Government Communication Service Propriety Guidance further clarifies this prohibition by noting that information campaigns cannot be used to:

- list the government's achievements;
- provide balance to an argument or to put the record straight (for example, in the case of biased or inaccurate media reporting).

The guidance states that approval may be withdrawn by the regulator on the advice of the Office of Communications, if the campaign itself creates genuine public controversy.

a. UK Government Communication Service (2022).

policies and programs through the parliament and the media.<sup>55</sup> They don't need a multi-million dollar advertising strategy paid for by the public.

### 3.1.2 Campaigns should run when they will be most effective

The messages in a campaign should be instructive, and the spending proportionate to achieving a legitimate purpose (see Section 3.1.1).<sup>56</sup> The campaign should be timed to run when it will be most effective.<sup>57</sup>

For example, a nation-wide campaign on all major television channels to promote uptake of a government youth employment program just before an election should not pass this test. The campaign would need to be more targeted, potentially using social media to target younger people, spread over a period of time, and be focused on messaging that encourages the target audience to use the program service.

A stronger intervention would be to ban taxpayer-funded advertisements in the lead-up to elections, as happens in NSW (see Appendix).<sup>58</sup> But this would be harder to implement at a federal level where the government has substantial discretion as to when to call an election. Further, it may hamper the government's ability to

run legitimate campaigns for substantial periods. The changes we recommend to rules and processes for advertising are more targeted and we think should obviate the need for pre-election bans.

### 3.1.3 Campaign materials should not promote a party or the government

Existing rules at federal and state level require that campaign materials be objective, factual, and free of political argument. Advertising campaigns should not influence support for a political party,<sup>59</sup> and should not name politicians or parties, or use party logos or slogans.<sup>60</sup>

Yet in practice, campaigns that spruik the government – or even use party colours – do not fall foul of these prohibitions,<sup>61</sup> despite clearly conferring a political advantage (see Chapter 2).<sup>62</sup>

A broader prohibition is needed, as adopted in Victoria,<sup>63</sup> the ACT,<sup>64</sup> and the UK (see Box 5).

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55. The UK guidance notes that 'the main forum for the presentation and discussion of government policies is Parliament': UK Government Communication Service (2022). The guidance states that other channels of communication should be considered before advertising (such as parliamentary announcements, ministerial speeches, or regular publications): UK Government Communication Service (ibid).

56. Financial legislation requires that public expenditure is value for money. For example, the Queensland *Financial Accountability Act 2009* requires that accountable officers are to achieve reasonable value for money in the operations of their department or statutory body: Queensland Audit Office (2017). However, financial and procurement considerations are beyond the scope of this report.

57. Most jurisdictions do not stipulate any requirements about run-time.

58. Also see Tham (2019). NSW has a ban in place from January 26 until the election in late March. Other jurisdictions have advertising bans or restrictions during the caretaker period, with exemptions for certain advertising (see Appendix).

59. For example, section 6 of the NSW regulations state that: '*A Government advertising campaign must not be designed so as to influence (directly or indirectly) support for a political party*'. See Appendix.

60. These rules are mere guidelines in most jurisdictions, but are legislated in NSW, Victoria, and the ACT. See Appendix.

61. Ontario, Canada explicitly outlaws the use of party colour schemes in taxpayer-funded campaigns under the *Government Advertising Act 2004*.

62. ANU Emeritus Professor Richard Mulgan noted that 'there is still ample scope for creating a positive image of the governing party': Mulgan (2021).

63. Victoria's *Public Administration Act 2004* section 97C prohibits material that is designed to influence sentiment about the current state or federal government. But Victoria's rules are not effectively enforced, see Section 3.3.

64. The ACT rules provide a good example: '*Something is party political if it is designed to promote the policies, past performance, achievements, or intentions of a program or the government with a view to advancing or enhancing a political party's reputation rather than informing the public*': Section 11 of the *Government Agencies (Campaign Advertising) Act 2009*.

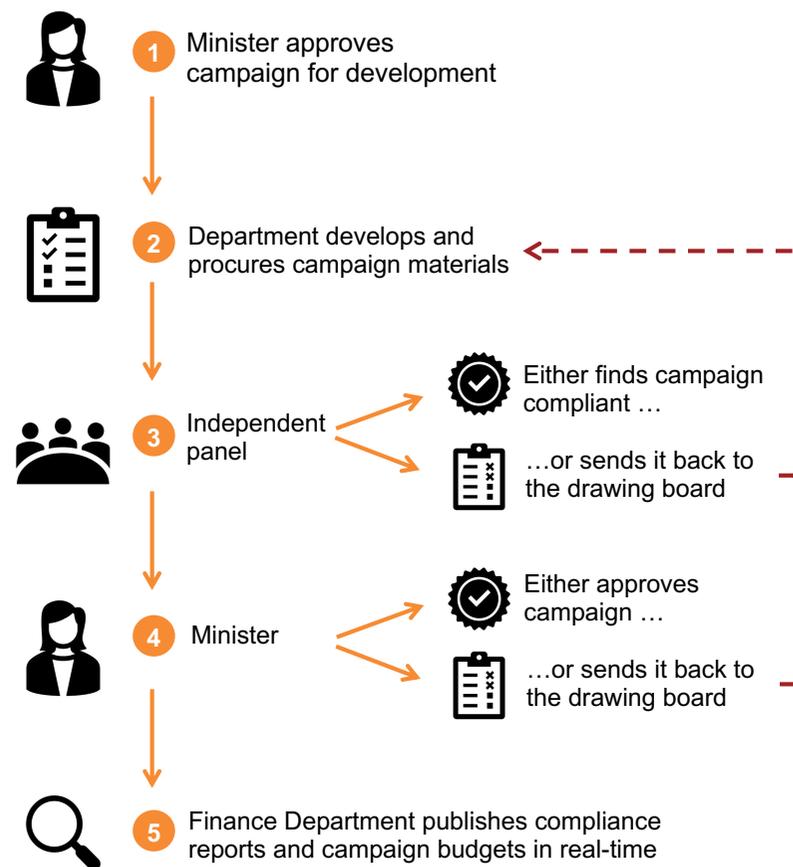
For example, a campaign that spruiks the government’s investment in infrastructure projects, and informs the public in general terms of consequent road disruptions, should not pass this test. Broad promotion of government investment in infrastructure is political because the government is seeking to enhance its reputation in the public eye. On the other hand, a more targeted campaign focused on messaging about specific road disruptions and alternative routes during construction would be unlikely to raise concerns.

### 3.2 Better processes

The current approval processes for taxpayer-funded advertising are not working (see Box 6 for an outline of the federal government’s weak processes). Many campaigns that have political elements are still being approved at federal and state levels (see Chapter 2). A better process is needed across nearly all jurisdictions to ensure campaigns are run only if they comply with the rules (see Figure 3.1).

An alternative approach to reduce politicised advertising is to impose a cap on the amount that can be spent on taxpayer-funded advertising each year.<sup>65</sup> This is a crude option because it could constrain legitimate as well as politicised advertising. However, if our recommended process isn’t adopted, an expenditure cap is a second-best alternative to reduce the harms from politicised advertising.<sup>66</sup>

Figure 3.1: A better process for approving taxpayer-funded advertising



65. For example, Orr (2006). Hughes (2015) also argues for a cap on the number of advertisements.

66. Parliament could then be required to approve any spending above the cap, providing greater oversight.

### 3.2.1 An independent panel should check compliance

An independent panel should assess compliance of final campaign materials against the rules (see Section 3.1), and its compliance reports should be made public.<sup>67</sup>

If the independent panel certifies that the campaign is compliant, the relevant minister could then either approve the final campaign, or send it back to the drawing board (see Figure 3.1).<sup>68</sup> The minister should not be able to change the campaign materials after the panel has signed-off on them, but they could still decide not to run the campaign.

Without the scrutiny of an independent panel, campaigns are at risk of politicisation. Independent scrutiny also helps ensure that campaigns are value for money, and will be effective at achieving their goal. Merely having an in-house departmental committee, as NSW, Victoria, Queensland, and WA have, does not fully guard against political intervention.

The new panel must be truly independent – not hand-picked by a minister.<sup>69</sup> The members should be appointed in a merit-based, transparent process, as recommended in Grattan Institute's report *New politics: A better process for public appointments*.<sup>70</sup>

The independent panel should be made up of experts. Members should have a mix of relevant skills, including media and communications experience.

67. This recommendation should also apply to all states and territories, except for the ACT, which already has an effective independent reviewer. This is separate to departments ensuring expenditure meets requirements under financial legislation.

68. Ministerial approval is required to ensure accountability. See Section 3.3.

69. Some ministers still believe it is acceptable to have political appointees on a review panel. In 2019, the then SA Treasurer defended that state's panel, saying: 'It's not unreasonable that there be some political decision-making': Richardson (2019). In the ACT, captain's picks are prevented by legislation requiring that the independent reviewer be approved by two-thirds of the Legislative Assembly.

70. Wood et al (2022a).

#### Box 6: The federal government advertising approval processes are weak

The previous federal government used the Independent Communications Committee (ICC) to review proposed campaigns, and provide advice about whether they were 'capable of complying' with principles in the advertising guidelines. These principles include that campaigns be relevant, effective, and apolitical.

But the ICC was limited in its effectiveness because it only reviewed campaigns mid-development, and did not have the power to block politicised campaigns.<sup>a</sup> And the ICC itself was at risk of politicisation. During the last term of government, it was chaired by a former Liberal staffer.<sup>b</sup>

In July 2022, the new federal government effectively abolished the ICC.<sup>c</sup> This reduces scrutiny and transparency even further.<sup>d</sup>

- a. ICC compliance advice published between 2018-19 and 2021-22 shows that the ICC always found that the proposed campaign was 'capable of complying' with the guidelines.
- b. The SA Government Communications Advisory Committee was also made up of Liberal staffers: Richardson (2019).
- c. This occurred through an update of 'interim guidelines'. It was noted that the ICC may still be used where the Minister for Finance requests it: Department of Finance (2022b).
- d. For example, ICC compliance advice will no longer be published.

While some argue this review role should be handed to Auditors-General,<sup>71</sup> we do not think this appropriate. This was the case at the federal level between 2008 and 2010, but an independent review found that it '[drew] into question the independence of the Auditor-General and potentially create[d] conflicts of interest'.<sup>72</sup>

### Exemptions from review

Where a campaign is particularly urgent it could be exempt from independent review. But the government should seek the opposition party's approval before granting any exemption,<sup>73</sup> and table in parliament the reasons for urgency.

Small campaigns should also be exempt from independent review, because the review process would add an unnecessary layer of administration. For the federal government and the two most populous states of NSW and Victoria, 'small campaigns' should be defined as

those costing less than \$250,000.<sup>74</sup> Other states should have a lower threshold, because campaigns tend to be smaller.<sup>75</sup>

### 3.2.2 Campaign costs and compliance should be reported in real-time

Federal and state finance departments should report on campaigns in real-time. This should include approved and final campaign budgets, run-time, and independent panel compliance reports.<sup>76</sup>

The current annual reporting in some jurisdictions (see Appendix) does not provide timely transparency. Annual reports are often published six months after the end of the financial year, so up to 18 months after a campaign has run.

### 3.3 Better enforcement and real penalties

Auditors-General should conduct regular audits of government advertising.<sup>77</sup> Funding for federal and state audit offices should be increased to resource regular reporting.<sup>78</sup>

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71. Browne (2022).

72. Hawke (2010, p. 3). Hawke also found that the ANAO had to adopt 'a highly risk-averse approach, placing a heavy (and unnecessary) bureaucratic and administrative burden on departments'. The government accepted Hawke's recommendation to remove the ANAO from reviewing campaigns before launch: Joint Committee of Public Accounts and Audit (2011, p. 7).

73. As per current federal caretaker conventions for taxpayer-funded advertising. At the beginning of the caretaker period before an election, bipartisan agreement is sought for all campaigns that are recommended to continue. See Department of Prime Minister and Cabinet (2021).

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74. There are about 24 federal campaigns costing more than \$250,000 each year. Assuming it takes up to a week to review a big campaign, this would be no more than 2.5 days of work per week across the year for the independent panel. Currently campaigns costing less than \$250,000 make up only 2 per cent of total federal expenditure, on average. But the threshold should not be lifted to \$3.5 million, as recommended by Hawke (2010), because some politicised campaigns we identified cost less than this.

75. For example, in WA, campaigns costing more than \$150,000 (ex GST) are currently reviewed by a departmental committee. This threshold is appropriate for independent review in the smaller states.

76. For example, SA publishes campaign budgets and evaluations monthly, including proposed and final budgets. Reports should be tabled in parliament at least quarterly.

77. Some jurisdictions have very few audits: see Appendix.

78. Funding for Auditors-General has been shrinking as a share of government expenditure in many jurisdictions: see Wood et al (2022b).

If an Auditor-General finds that a campaign was approved by the minister without certification from the independent panel, or the minister changed the campaign after certification, the governing party should be liable to pay the entire cost of the campaign. If the governing party wanted to challenge the Auditor-General's findings, it would have to mount an appeal to the relevant court.<sup>79</sup>

Better rules alone are not enough.<sup>80</sup> Our proposed penalty would provide a powerful disincentive for any government tempted to break the rules.<sup>81</sup>

The new rules, processes, and penalty should be legislated to ensure current and future governments are held accountable.

Australians cannot rely solely on weak rules and the goodwill of ministers to prevent misuse of government advertising. It is time for stronger safeguards to protect the public interest.

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79. In NSW, if there is a contravention of section 6 of the *Government Advertising Act 2011*, which prohibits politicised advertising, the governing party must pay, or appeal to the Supreme Court.

80. Victoria has an explicit regulatory rule prohibiting any advertising that promotes the government, yet the Victorian Audit Office found that the government still flouts this rule without any consequence for non-compliance: see Section 2.2.3.

81. Since NSW introduced a legislated penalty to prohibit politicisation of taxpayer-funded advertising, alongside other reforms, the audit office has not found any campaign was politicised. But note that NSW has a narrower definition of politicisation than we recommend.

## Appendix: Australian jurisdictions have different sets of rules

Jurisdiction	Advertising scope	Restriction on political material	Independent review	Ministerial intervention	Pre-election prohibition	Enforceability	Transparency	Oversight
Federal	Ads must be relevant to government responsibilities	Not directed at promoting party political interests	None*	Final campaign approval, and can exempt campaigns from compliance	Bipartisan agreement to continue campaigns during caretaker	Guidelines only	Finance Department publishes annual report on costs	Regular Auditor-General reviews
NSW	7 objectives, incl. raising awareness of initiatives & reporting on performance	Must not be designed so as to influence (directly or indirectly) support for a political party	Departmental review	Not stated	No campaigns between Jan 26 and election in late March	Legislation; breach makes governing party liable for costs	6-monthly expenditure report	Annual Auditor-General review
Vic	Must have 'public interest purpose', but definition of public interest is broad	Not designed or intended to directly/indirectly influence public sentiment for party or government	Departmental review	Not stated	Campaigns cannot feature ministers or promote government policies	Legislation	Annual expenditure report	Ad hoc Auditor-General reviews
Qld	Ads must have a direct and obvious public benefit	Not attempt to foster a positive impression of a political party or promote party-political interests	Departmental review	Not stated	Campaigns should cease when the caretaker period commences	Code of conduct	Annual expenditure report	Ad hoc Auditor-General reviews
WA	Ads must provide a clear benefit or important message to the public	Apolitical in nature	Departmental review	Final campaign approval	Campaigns should cease when the caretaker period commences	Guidelines only	None	Ad hoc Auditor-General reviews
SA	Ads must be aligned to government's priorities	Not used for party-political purposes, incl. cannot be interpreted as political	Government advisory committee	Authorisation of communications plan and approval of final campaign	Additional requirements and restrictions apply in caretaker	Guidelines only	Campaign list, budget, and evaluations published monthly	No audits on record
ACT	Must be relevant to current government responsibilities	Must not be directed at promoting the government or party political interests in any way	Independent reviewer	Minister makes guidelines, appoints independent reviewer, and may exempt campaigns	No campaigns in the pre-election period (37 days)	Legislation	6-monthly report to Legislative Assembly	No audits on record

Notes: Red means weak, orange means OK, yellow means good, and grey means neutral. \*The new interim federal guidelines, released in July 2022, require that the minister for finance endorse the campaign before ministerial approval, and effectively abolished the role of the Independent Communications Committee. The NT and Tasmania have been omitted, because these jurisdictions have very limited requirements.

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