

COALITION SENATORS' REPORT

BACKGROUND AND PAST INQUIRIES

This issue has been considered by the Senate previously in recent times, notably in June last year in the inquiry by this committee into the *Preventing the Misuse of Government Advertising Bill 2010*.

It was also the subject of an inquiry by the Finance and Public Administration References Committee in 2005.

Coalition Senators have previously opposed proposals to place the Auditor-General at the centre of decisions regarding Government advertising. Amongst other issues, the main reasons for this view are twofold:

1. Placing the Auditor-General in a position to approve or otherwise advertising campaigns would potentially put the Auditor-General in a conflicted position – having to both approve decisions, then to be responsible for their examination and audit.
2. Placing the Auditor-General in this position would not necessarily guarantee the outcomes desired by the supporters of this proposal.

Both of these positions are expounded further in other reports of this Committee and of the Joint Committee on Public Accounts and Audit earlier this year.

The Government accepted this position after it commissioned the *Independent Review of Government Advertising Guidelines* (the Hawke Review) in early 2010.

However, as the passage of time was to illustrate, the guidelines subsequently adopted by the Government were to prove nothing more than a charade to facilitate the further expenditure of public funds on advertising to support Labor's political agenda.

LABOR'S 2010 BACKFLIP

Public concern regarding the role of Government advertising has reached new heights since the Labor Government so spectacularly back-flipped and circumvented their own guidelines in 2010. This is demonstrated by a simple timeline of events in 2010.

In the months prior to the release of the *Henry Review* in May 2010, the Labor Government commissioned a research company to undertake work to determine the level of community understanding of tax reform.

On 21 April 2010 the so-called Independent Communications Committee established as a result of the Hawke Review was provided with a communications strategy for a proposed campaign. The ICC approved the strategy and a number of advertising agencies were briefed.

Following the release of the Henry Review, the Treasurer almost immediately sought an exemption from the guidelines established following the Hawke Review, on 10 May 2010.

That same day agencies were scheduled to present their creative proposals to officials at The Treasury. The following day, in the Budget, the Treasurer announced that a so-called 'communications campaign' would proceed, with an appropriation of \$38.5 million.

On 14 May 2010, the Department of Finance provided a brief to the Cabinet Secretary which included a draft letter to the Treasurer and a draft Statement to Parliament. This was not released for ten days.

On 24 May 2010, the Cabinet Secretary approved the Treasurer's request for an exemption from the advertising guidelines, citing 'extreme urgency' and 'compelling reasons.'

Despite this, the notification to Parliament was delayed by a further four days – finally being tabled on 28 May.

Of particular note is the fact that this was the day after Senate Estimates hearings into government advertising had concluded.

This timeline of events with respect to the Labor Government's failed mining tax advertising campaign illustrates just how hollow Labor rhetoric has been on this subject.

Labor's subsequent behaviour with respect to advertising its carbon tax legislation demonstrates that hypocrisy continues.

LABOR'S CARBON TAX HYPOCRISY

Public concern about government advertising has escalated further in response to Labor's misleading campaign regarding the carbon tax.

The \$25 million dollars dedicated to the carbon tax advertising campaign has provoked outcry about both the notion that the Government should use public funds to advocate a hotly contentious political topic, even more so given the Government's dishonesty regarding the carbon tax prior to the 2010 election.

Furthermore, questions have arisen about the honesty of the Labor Government's advertising campaign – in particular the notion that the carbon tax would reduce

Australia's emissions when the truth is taxpayers' funds will be used to purchase abatement from overseas.

Labor's hypocrisy regarding using public funds for political government advertising can be illustrated with their own words.

In the 2005 inquiry by the Finance & Public Administration References Committee *Government Advertising and Accountability*, Labor Senators stated:

*First, the Committee considers that no expenditure of public money for mass media advertising should be undertaken until the government has obtained passage of the legislation giving it authority to implement the relevant policy, program or service.*¹

They went on to say that:

*'material should not be directed at promoting party political interests'.*²

In their conclusion to Chapter 6 of the 2005 report, Labor Senators also stated that

*No expenditure of public money should be undertaken on mass media advertising, telephone canvassing or information services, online services, direct mail or other distribution of unsolicited material until the government has obtained passage of legislation giving it authority to implement the policy, program or service described in the public information or education campaign.*³

And:

*The only exclusions to these requirements are where major issues of public health, public safety or public order may arise at short notice.*⁴

It is immediately apparent that the current carbon tax advertising campaign does not meet any of these hurdles.

Labor has no credibility on this issue. Labor's record speaks for itself.

1 Senate Finance & Public Administration References Committee, *Government Advertising and Accountability*, (Majority Report), paragraph 6.68, December 2005.

2 Ibid, paragraph 6.69.

3 Ibid, paragraph 6.72 (a).

4 Ibid, paragraph 6.72 (d).

CONCLUSION

Coalition Senators do not agree with the conclusion of Labor Senators that the current guidelines for government advertising adequately address the concerns raised by submitters given the behaviour by the Labor Government in this regard. This is demonstrated by the current scandal of the carbon tax advertising campaign.

However, the bill as proposed does not provide for adequate flexibility for legitimate public information campaigns.

Accordingly, Coalition Senators agree with the recommendation that this bill not be passed.

Senator Scott Ryan
Senator for Victoria

Senator Sean Edwards
Senator for South Australia