ABSTRACT:
In 2004, in the months leading up to the federal election, the Howard government spent over $AUD30 million on government advertising. The author of this article, as a critic of high government advertising spending, was regularly quoted in media accounts at the time and was therefore a participant in the events she describes (Young 2004a, 2004b, 2004c, 2004d). However, it was the opponent Labor Party which, believing itself to be disadvantaged, was most vocal in criticising the government’s pre-election advertising arguing that it was an attempt to sway public opinion in order to gain an early electoral advantage. The Labor Party used a number of media management techniques to try to obtain media coverage of its criticisms. However, collectively, commercial media outlets have profited nearly $AUD3 billion dollars from state and federal government advertising over the past decade. As commercial media outlets are economic institutions and their performance is shaped by the market system in which they operate, do they report criticism of high spending on government advertising despite the fact that they have a vested commercial interest in the practice? Analysing media coverage from 2004, reveals that, as propaganda theory would suggest, the more income a media organisation receives from government advertising, the less likely it will report criticisms of the practice.

KEYWORDS: Government advertising, political economy, propaganda theory, information subsidies.
The Phoney War: The 2004 Pre-Election Period in Australia

At forty-one days of official campaigning, the 2004 federal election was unusually long by Australian standards. However, this paper does not examine this official campaign period but instead, looks at the months which preceded it. In Australia, this period is known as the “phoney war”, that is, “the period before an election has been officially announced but everyone knows it is coming and the parties start campaigning to try to get an early lead” (Young 2004a: 7).

The incumbent government parties, in this case, the coalition of the Liberal Party and the Nationals, have inherent advantages in pre-election campaigning. During the four month “phoney war” period between 1 May and 29 August (when the Prime Minister announced the election date), the federal government ran newspaper, radio and television ads on topics as diverse as Medicare, apprenticeships, superannuation, the pharmaceutical 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 (all figures in Australian dollars) (Tingle and Shoebridge 2004: 8). A year later, and with the benefit of updated information, the ALP claimed the Howard government actually spent $61 million between April and June (ALP 2005; see also Koutsoukis 2005).¹

This means that the federal government spent at least triple the amount on government advertising that would be spent on party political advertising during the election by either the Coalition or its major opponent, the ALP during the election (Young in press).

In Australia, scholarly analysis of government advertising has tended to examine it from political and legal perspectives which 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 (Orr 2004a; Orr 2004b, Young 2003, Young 2004a; Young 2004b).

In particular, these analyses often emphasise how government advertising is an incumbency resource for the government, part of the “PR state” which can be used for electoral advantage (Ward 2003). These perspectives emphasise political resources, processes and institutions. However, there are other perspectives which have received less attention in Australia and which
examine another side of the phenomenon. Instead of analysing politicians and their behaviour, these theories examine the media organisations and outlets which profit from government advertising and consider how that largesse influences their content and behaviour.

**Government Advertising as an “Information Subsidy”**

In the UK, the phenomenon of government advertising has been examined by a number of authors (eg. Franklin 1988; Golding 1990; Deacon and Golding 1994; Golding and Murdock 2000 and Miller and Dinan 2000). Many of these studies emphasised the use of government advertising by the Thatcher government in the late 1980s on contentious issues such as privatisation. What these studies highlight which, to date, has largely been omitted in analysis of Australian government advertising, is the role that such advertising plays as a major source of revenue and an “information subsidy” for the media organisations who receive it (Deacon and Golding 1994).

Golding and Murdock (2000: 83) 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” (see also Turk and Franklin 1987). Through advertising, the state “effectively gives subsidies to media organizations by reducing the effort required to discover and produce information for their audiences” (Golding and Murdock 2000: 83).

Since the Howard government took office at the federal level in 1996 in Australia, it has spent $929 million on federal government advertising. In the same period, state and territory governments have spent $2.148 billion on advertising (Department of the Prime Minister and Cabinet 2004: 4). In particular, since 1999, the federal government has consistently spent $100 million every financial year (Grant 2003-04: 2). This has made it the single largest advertiser in the country—ahead of commercial giants such as Coca-Cola, Coles-Myer and McDonalds (Young 2003: 14).

Some of this government advertising has bi-partisan support (such as defence force recruitment advertising, in the case of the federal government) and is fairly routine and mundane including public service job ads and tender ads. In political terms, it is not these ads (called “non-campaign advertisements”) but rather the big-spending “campaign” advertisements on a particular theme that attract the most controversy (including campaigns on industrial relations, the Goods and Services Tax and the government’s claim that it was “strengthening Medicare”) and these are particularly controversial when advertisements are broadcast just prior to an election.
In economic terms, however, regardless of the content of the advertising, it 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 has traditionally been a lucrative source of income for newspapers.

The Carrot and the Stick of Government Advertising

James Curran (2000: 123) explains that classic liberal theory suggests that “it is especially important to establish a critical distance between the media and the governmental system through private media ownership…[however this view] fails to take into account… the way in which the market is now a source of corruption that can subdue critical over-sight of government.” This is not only because “the sphere of government has been enormously extended…” and because politicians “are now routinely involved in decision-making that can affect the profitability of private media enterprises” but also because media organisations have “more to gain from business-friendly government”.

Government advertising sits at the apex of these observations because it is not only an extension of the functions of government but is also a way in which a government can show itself to be “business-friendly” (by becoming a major commercial advertiser in its own right). Government advertising is also an area where politicians’ decision-making can directly “affect the profitability of private media enterprises” through the decision to use government advertising as a form of patronage—a reward for favourable media coverage—but also as a punishment by denying revenue to media organisations which are held to be recalcitrant.

There a number of cases where this has been documented. In Mexico, the government’s use of gacetilla (“advertising disguised as news”) has been a significant economic source for Mexican newspapers and acted as “a system of governmental press subsidy, essential in explaining the way in which the Mexican press has served as a propaganda tool…” for the Mexican government (Benavides 2000: 85). In 1998 in Puerto Rica, as a payback for the newspaper El Nuevo Dia’s attempt to practice independent journalism by investigating government corruption, the government withdrew a reported US$6 million in official government advertising (Caird and Nelsen 1998).

There have also been reports that Romanian government officials “have frequently used their control of public advertising funds to influence media coverage” including the “actual or threatened withdrawal of public advertising” (Open Society Justice Initiative 2005). The Inter
American Press Association has also expressed concerns recently about the use of government advertising in Argentina (IAPA 2005).

While Australia’s public accountability processes may be more transparent than those in place in Mexico, Puerto Rico, Argentina or Romania, similar incidences have still occurred. In 2003, it was reported that the New South Wales 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*. In the same year, 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 (Young 2004a: 132).

Advertising is not always used as a stick. In the US, Bonnie Brennen (2000) has explored how, in the late 1990s, the Clinton administration struck a deal with commercial television networks which saw the administration purchase anti-drug advertising in return for the networks voluntarily inserting administration-approved ‘[anti-drugs] propaganda into prime time television shows…’.

Propaganda theory can help us to understand the power of government advertising to influence media content because it takes the analysis of state-media organisation relations to another level.

**The Media and Propaganda Theory**

Edward S. Herman and Noam Chomsky (2002) 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 do not have to own or directly control the media because they can still disseminate information with the media’s consent.

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 “fit to print”. “Dissident ideas are not legally banned; they are simply filtered out quietly and unobtrusively” (Taylor Jackson and Stanfield 2004: 476) In particular, Herman has described how these series of news filters advantage government and dominant private interests and aid them in getting their messages across (Herman 2000). Two of these filters are particularly relevant to this study; 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 (1995: 84) argues that advertising is a major filter of news content because “advertisers will rarely sponsor programs that seriously criticize sensitive corporate activities”. 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) (Herman 1995: 84). In Australia, there have been well publicised cases of executives pressuring editors “not to run stories which they regarded as unfavourable to advertisers” (Windschuttle 1988: 5).

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 sources, governments and businesses go to great lengths to make things easy for news organisations. For example, Herman (1995: 85) 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 out by showing that government spokespeople are among those who are most often, and most prominently, quoted in news reports (Manning 2001; see also Davis 2000 and 2003; Franklin 2003; Orr 1994 Scammell 1995).

Propaganda theory therefore suggests two major reasons why the commercial media might have an interest in filtering out criticisms of government advertising spending. The first is the filter of advertising; commercial media outlets tend to filter out news content which is critical of their major advertisers and the government is now one of their main advertisers. Secondly, government spokespeople are major news sources who are often 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 the practice would be filtered out of the news reported by commercial media outlets. This is a hypothesis that this paper seeks to test.

**Research Method: Analysing Media Coverage of Government Advertising**

While the Howard government was advertising during the phoney war of 2004, there was strident criticism of its heavy spending as well as the content of its advertising from opponent parties and some academics, including the author. However, in particular, the Labor Party (ALP) was highly
The ALP used a number of means to try to draw attention to its concerns including press releases, speeches, statements, interviews and an announcement that, should it win office, it would implement a new policy to restrict the use of government advertising.

Therefore, in terms of news sources, aside from the government, there was another major player involved. The Labor Party, as the official federal Opposition, is also a regular news source and in May-August, it was vigorously trying to draw media attention to its criticisms of the pre-election government advertising. In news management terms, the party was trying to “stoke the fires” of media interest (Gaber 2000) through a series of events and techniques and was attempting to set the media agenda in a particular way by framing government advertising as an abuse of power, a government election strategy and a waste of taxpayers’ money. The ALP’s overt “above the line” media management techniques were quite visible and included making announcements, producing media releases and giving interviews on the topic (Gaber 2000). The ALP website included all of the party’s “above-the-line” news management techniques including media releases as well as full transcripts of interviews and announcements by ALP politicians on the issue.

As one of the other news sources appearing in media reports of government advertising in 2004, it is important to point out that, as the researcher, I make no claim to being a detached, neutral or objective observer on this issue. On the contrary, I was personally involved as one of the other critics of government advertising (see Young 2004c, 2004d). In this sense, the research involved a degree of participant observation (Jorgensen 1989). However, rather than examining my own role (which I intend to scrutinise elsewhere in the context of how academics function as news sources), the focus of this paper is on comparing the media management attempts made by the ALP to draw attention to criticisms of government advertising with resulting media coverage (or lack of coverage) in light of propaganda theory.

To achieve this aim, two major areas of data were collected: 1) examples of news management attempts on this issue by both the ALP and the government and 2) media coverage of government advertising which focused on how the advertising affected public debate including criticisms of the practice (as opposed, for example, to media articles which merely reported the content of the advertisements). The analysis here was focused primarily on the time and space allocated to the public debate over government advertising rather than the way in which that debate was framed in media reports or through the rhetorical strategies of the ALP and government. While framing and rhetoric are also significant and discussed briefly below, they demand a quite separate analysis.
Media coverage on the public debate around government advertising included newspaper articles, editorials and opinion pieces which were located via a number of different sources in order to cross-check that all articles were included. In total, there were 77 newspaper articles (61 articles, 12 opinion pieces and 4 editorials).

TV and radio coverage of the issue was more difficult to source but was obtained by collating information from several sources, including commissioning the media monitoring company Rehame to provide a list of all radio and television coverage which mentioned “government advertising” in metropolitan radio and television in Melbourne and Sydney (as the two largest media markets) for the three specific time periods which coincided with the ALP’s major agenda setting attempts (22-25 June, 28 June-1 July and 13-14 July (see Table 1 below). As these periods generated the most press coverage, we would therefore expect them to coincide with the most heightened TV news interest in the issue.

**News Sources and “Spin” in the Debate on Government Advertising**

As government advertising hit full flight in May-July 2004, critics—particularly the ALP—tried to frame the advertising as an unusual, outrageous and unfair abuse of incumbency benefits calculated for maximum electoral benefit. The government defended the advertising as a necessary and important way of communicating voters’ entitlements or pointed the finger elsewhere by arguing that Labor state governments were also spending on government ads or reminding their audience of previous federal Labor government spending on ads.

**The ALP**

The ALP had the strongest motivation to try to draw media attention to government ad spending which it felt was unfair and a method of disadvantaging it in the upcoming election. There were nine major attempts by the ALP to gain media coverage of the issue of government advertising using overt “above the line” news management techniques (Table 1).
Table 1 – ALP above the line techniques drawing attention to government advertising and the resulting media coverage, May-August 2004

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>ALP spokesperson</th>
<th>Media coverage of the issue that day (TV/radio) and next (newspapers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 May</td>
<td>Media release</td>
<td>Bob McMullan</td>
<td>- 2 ABC TV interviews - 6 newspaper articles</td>
</tr>
<tr>
<td>14 May</td>
<td>Doorstop interview, Parliament House</td>
<td>Julia Gillard</td>
<td>- 3 newspaper articles - 1 op-ed</td>
</tr>
<tr>
<td>21 May</td>
<td>Doorstop interview, Treasury Place</td>
<td>Julia Gillard</td>
<td>- 5 newspaper articles - 2 op-eds</td>
</tr>
<tr>
<td>31 May</td>
<td>Doorstop interview, Parliament House</td>
<td>Julia Gillard</td>
<td></td>
</tr>
<tr>
<td>21 June</td>
<td>Doorstop interview, Parliament House</td>
<td>Wayne Swan</td>
<td>- 2 ABC TV interviews - 6 newspaper articles</td>
</tr>
<tr>
<td>22 June</td>
<td>Doorstop interview, Parliament House</td>
<td>Wayne Swan</td>
<td>- 3 newspaper articles - 1 op-ed</td>
</tr>
<tr>
<td>23 June</td>
<td>Media release</td>
<td>Robert McClelland</td>
<td>- 5 newspaper articles - 2 op-eds</td>
</tr>
<tr>
<td>25 June</td>
<td>Media release</td>
<td>Michael Forshaw</td>
<td></td>
</tr>
<tr>
<td>27 June</td>
<td>Statement</td>
<td>Mark Latham</td>
<td>- ABC news - ABC Mediawatch - ATV10 news - 7 radio programs - 5 radio news bulletins - 8 newspaper articles</td>
</tr>
<tr>
<td>27 June</td>
<td>Doorstop interview, Concord Repatriation General Hospital, Sydney</td>
<td>Mark Latham</td>
<td></td>
</tr>
<tr>
<td>28 June</td>
<td>Doorstop interview [location not listed]</td>
<td>Nicola Roxon</td>
<td>- 1 radio program - 3 newspaper articles - 2 newspaper editorials</td>
</tr>
<tr>
<td>13 July</td>
<td>Media statement</td>
<td>Bob McMullan</td>
<td>- 6 newspaper articles</td>
</tr>
</tbody>
</table>

Note: TV and radio interviews carried out by ALP spokespeople could also conceivably be counted as an “above the line” media management technique. However, here they are judged to be an outcome (an example of achieving media coverage) rather than a mere attempt.

The most significant of these attempts to gain media attention was ALP leader Mark Latham’s announcement on Sunday 27 June (which may have been deliberately timed for a traditionally slow news day) that the ALP, if elected, was going to legislate to require government advertising to be scrutinised by the Auditor General to ensure its content was not partisan. More dramatically, he announced, the ALP would backdate the legislation to 27 June 2004 which would mean, if the
independent auditor found the Howard government’s advertisements in 2004 had been partisan and designed for electoral advantage, the Liberal Party would be billed for the costs and have that money deducted from their public funding (ALP 2004). ALP MP Nicola Roxon gave a lengthy doorstop media interview (where the politician meets the media and reads a statement or answers questions at an impromptu setting such as on the steps of Parliament House) on 28 June reiterating the details of this new policy.

**Media Reporting of Criticisms of Government Advertising**

As a result of the ALP’s media management techniques and its position as a major news source, during May-August 2004, media reports on government advertising in newspapers, radio and television were heavily concentrated in three key periods which coincided with the ALP’s agenda setting attempts.

The first period of media attention was 22-25 June when the ALP conducted at least one activity—a doorstop interview or a media release—once a day, every day from 21-25 June. Here, the ALP was flooding and staying on message. The second most intense period of media attention was from 28 June-1 July following Latham’s announcement of the ALP’s policy on Auditor General scrutiny and its plan to “crackdown” on government ads (this was how it was described in several news reports). The final period of activity occurred on 14 July after the ALP released its “spendometer”. The “spendometer” was attached to press releases and was a drawing of a thermometer-like gauge which showed how much the government had spent on ads.

This timing suggests something important about the relationship between news sources, information subsidies and media organisations’ behaviour. Government advertising is a far more lucrative subsidy however, an opponent news source here provided smaller scale information subsidies which did lead to media coverage and particularly in newspapers. Nevertheless, overall, the ALP’s success was limited and the story received markedly different coverage between different media and outlets.

Television stations profited the most from the federal government’s pre-election advertising spend. The government acknowledged that its ad spending in early to mid 2004 favoured television (50 per cent) over newspapers (25 per cent), radio (15 per cent) and outdoor and cinema advertising (10 per cent combined) (Tingle and Shoebridge 2004: 8).

It is significant then that newspapers ran far more stories which included criticisms of government advertising than any other medium (Table 2). Because newspapers received only half the amount
of government advertising as television outlets, they therefore had less of a vested commercial
ing interest in filtering out criticisms. But also, as discussed above, Herman has pointed out that
newspapers are, in general, less reliant on advertising revenue than commercial free-to-air TV and
radio broadcasters because the newspaper cover price provides another revenue stream. While
newspapers published 77 articles, opinion pieces or editorials which included criticisms of
government advertising there was a comparably marked absence of stories on the issue on
television and particularly on commercial television.

**Commercial Television**

Table 2 show that commercial television was most reluctant to air criticisms of government
advertising. In total, although there were 126 reports on the issue of government advertising, only
three per cent of these reports aired on commercial television. Comparing this to the last column
(which shows the percentage of government ad spending received by each medium), reveals that
the medium which profits the most from government advertising was also the most reluctant to
report criticisms of the practice.

**Table 2 - Media news and current affairs reports on government advertising by medium during 22-25 June, 28
June-1 July and 13-14 July**

<table>
<thead>
<tr>
<th>Medium</th>
<th>Number of media reports on government advertising</th>
<th>Percentage of all media reports on the topic</th>
<th>Percentage of government ad spend reported to have gone to media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>77</td>
<td>61 %</td>
<td>25 %</td>
</tr>
<tr>
<td>Public radio stations</td>
<td>20</td>
<td>16 %</td>
<td>n/a</td>
</tr>
<tr>
<td>Commercial radio stations</td>
<td>19</td>
<td>15 %</td>
<td>15 %</td>
</tr>
<tr>
<td>Public television station (ABC)</td>
<td>7</td>
<td>6 %</td>
<td>n/a</td>
</tr>
<tr>
<td>Commercial television stations</td>
<td>3</td>
<td>2 %</td>
<td>50 %</td>
</tr>
<tr>
<td>Cinema and outdoor</td>
<td>n/a</td>
<td>n/a</td>
<td>10 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>126</strong></td>
<td><strong>100 %</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The Australian Broadcasting Corporation (ABC), a public broadcaster, broadcast twice as many stories on the issue of government advertising as the three commercial stations combined.

Commercial radio stations also broadcast nineteen stories on the topic compared to commercial television’s three stories. Admittedly, there are far more commercial radio stations compared to the three commercial free-to-air television stations in Australia and far more broadcast airtime available for such discussion on radio. However, even taking this into account, the absence of reports on commercial television discussing government advertising compared to other media, is still quite striking.

This must be considered in context. Australia has one of the most highly concentrated media ownership structures in the world. Only a handful of players dominate major media such as newspapers and television and there are limited outlets and choices. News Ltd (owned by Rupert Murdoch) owns and sells two-thirds of Australian newspapers (Jackson 2003). The other very powerful media magnate is Kerry Packer who controls Publishing and Broadcasting Limited (PBL) which owns the Channel Nine television station as well as 65 magazines, a quarter share in pay TV operator Foxtel, a casino and other online ventures (see Jackson 2003). In Australia, even in major capital cities, viewers have a choice of only three free-to-air commercial television stations, and, of these, the highest rating station over the past two decades has consistently been Channel Nine (AFC 2004).

In Australia, the links between government and media owners have been of concern for several decades because the concentrated ownership structure leads politicians to be particularly beholden to the major magnates (known as the “media mates” thesis) (e.g. see Ward 1995; Griffen-Foley 2003; Windschuttle and Windschuttle 1981; McQueen 1977; Given 1995 and Goot and Tiffen 1995).

Table 3 shows that, on the 28 June 2004, the day after the ALP’s announcement of a new policy on government advertising, Channel Ten was the only commercial TV station to run the story on its nightly news program and it ran the story not as a major headline but 35 minutes into its news program. This may be related to issues of space as Channel Ten has a one hour early evening news program as opposed to only a half hour on the Nine and Seven networks. But it may also be related to issues of audience as Channel Ten has redesigned itself in recent years as a niche station aimed at a more media-savvy youth audience (Green 2001).
Table 3- Television coverage in Melbourne and Sydney during 22-25 June, 28 June-1 July and 13-14 July

<table>
<thead>
<tr>
<th>Date</th>
<th>Channel</th>
<th>Program</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 June</td>
<td>ABC</td>
<td>7:30 Report</td>
<td>Eric Abetz (Gov), Bob McMullan (ALP), John Faulkner (ALP), Peter Costello (Gov)</td>
</tr>
<tr>
<td>18 June</td>
<td>ABC</td>
<td>Lateline</td>
<td>Eric Abetz (Gov), Wayne Swan (ALP)</td>
</tr>
<tr>
<td>20 June</td>
<td>ABC</td>
<td>Insiders</td>
<td>Kay Patterson (Gov)</td>
</tr>
<tr>
<td>21 June</td>
<td>ABC</td>
<td>7:30 Report</td>
<td>Mark Latham (ALP)</td>
</tr>
<tr>
<td></td>
<td>ABC</td>
<td>Lateline</td>
<td>Julia Gillard (ALP)</td>
</tr>
<tr>
<td>27 June</td>
<td>ABC</td>
<td>News</td>
<td>Mark Latham (ALP)</td>
</tr>
<tr>
<td>28 June</td>
<td>ABC</td>
<td>Mediawatch</td>
<td>Eric Abetz (Gov), John Howard (Gov), Tony Abbott (Gov), Kay Patterson (Gov), John Faulkner (ALP), Mark Latham (ALP)</td>
</tr>
<tr>
<td></td>
<td>Channel 7</td>
<td>Sunrise</td>
<td>Mikey Robbins (Comedian, guest)</td>
</tr>
<tr>
<td></td>
<td>Channel 10</td>
<td>News</td>
<td>Grab of Nicola Roxon (ALP) from doorstop interview saying political parties should pay for their own advertising.</td>
</tr>
<tr>
<td>13 July</td>
<td>Channel 9</td>
<td>A Current Affair</td>
<td>Gary Morgan (pollster), Sally Young (academic)</td>
</tr>
</tbody>
</table>

One of the only other two mentions of the issue on commercial television occurred when a breakfast show guest on Channel Seven, a comedian, made a humorous reference to government advertising. Channel Nine, the largest beneficiary of government ads, did not mention the ALP’s new policy in its 27 or 28 June news bulletins. However, fifteen days later, did broadcast a story on government advertising on its weeknight tabloid-style current affairs program. This story was initiated by one of the program’s reporters, Paul Barry, a former ABC reporter. Of all the television stations, the relationship between Channel Nine and government advertising bears particularly close scrutiny.

**Channel Nine and Government Advertising**

In 2004, Channel Nine seemed to garner a large proportion of the government’s ad spend (45 per cent) and more than its audience and ratings share (between 31 and 39 per cent) seemed to warrant (Tingle and Shoebridge 2004: 8).

As the Murdoch-owned *Australian* newspaper reported, the spending in 2004 “caps a strong relationship [between the government and Channel Nine] under which past and present Nine personalities have featured in government ad campaigns in recent years” (Tingle and Shoebridge
Some of the most controversial government ads in recent years have included Channel Nine celebrities.⁹

There are also a series of policy decisions made by the Howard Government in recent times which appear to have favoured PBL’s commercial interests particularly with regard to digital television (they certainly appeared this way to Rupert Murdoch who, after the digital television policy, famously assailed the Prime Minister at a barbeque with the comment “What else have you given Kerry Packer lately?” (ABC 2000)).

By contrast, in 2004, Labor leader Mark Latham proposed allowing a fourth free-to-air TV station which would compete with Channel Nine and dilute its ad revenue. The Australian reported that:

Labor’s fledgling plan for a fourth commercial television network has angered industry executives…It is understood Mr Packer’s Nine Network will fight particularly vigorously to block any changes that would open up the free-to-air stations to greater competition. And the prospect of Australia’s richest man taking on the ALP in the election lead-up is sending nervous tremors through Labor ranks. (Lewis 2004).

In 2004, the Howard government/Coalition parties did not propose a fourth free to air TV station as part of its media policy. They did, however, propose to water down cross media and foreign ownership restrictions, law changes that both Murdoch and Packer have sought and publicly lobbied for over the past decade.

There were other connections. The Chairman of PBL, James Packer, became a Liberal Party member in 2003 and gave his public endorsement to the Howard government during the 2004 election campaign (Crabb 2003; Evans 2004). His father, Kerry Packer, had also endorsed the Liberal Party on previous occasions (notably in 1996 when he appeared on a television show on his own network to advocate a vote for the Liberals).

Working on the more conservative estimates provided by industry sources, it seems that at least $6 million in government advertising went to Channel Nine in May-June 2004 alone. According to the commercial television industry body, Free TV Australia (2004), during January-June 2004, commercial television stations made $1 billion dollars in gross advertising revenue with Channel Nine gaining the biggest share of this advertising revenue (40.1 per cent). This means Channel Nine made around $481 million in gross advertising revenue in January-June 2004, or, on average, $80 million per month. Therefore, $6 million in government advertising in two months seems to represent just under four per cent of Channel Nine’s revenue.¹⁰
Calculations using other data yield similar results. The latest information available on spending (ALP 2005) suggests that the government spent $61 million on advertising in April-June 2004. If, as reported, half of this spending went to television and 45 per cent of this TV spending went to Channel Nine, the station made $13.7 million from government advertising which represents five per cent of its revenue over those three months.

This is a significant amount for one sole advertiser. However, four to five per cent of revenue is only a conservative estimate. Another way to think about how much media outlets such as Channel Nine make from government advertising is to add together federal and state/territory advertising over the past eight years. This totals just under $3 billion. If half of this spending went to the TV industry, it averages around $186 million a year from government ads. As Channel Nine garners the highest proportion of ad revenue, it receives around 30-40 per cent of this ad spending.

This suggests that, at the very least, the commercial media, but particularly television, and even more particularly Channel Nine, has a broad vested commercial interest in seeing high levels of government advertising continue. This is significant given that there is increasing pressure on journalists not to report on matters which conflict with their employer’s business interests and there is a growing influence of commercial criteria on news selection.

**Commercial Influence on News Selection and Reporting**

Experienced political reporters Paul Kelly and Michelle Grattan have revealed how commercial factors increasingly impact upon their work (Kelly 1998; Grattan 1998). Jana Wendt, a TV reporter and presenter at Channel Nine has also argued that, in Australian television, there is “an increasingly restrictive atmosphere… transformed ominously, from journalism that is true to itself, into journalism dictated over-ridingly by the market….” She has argued that “more and more, journalists are asked to distort their values to the perceived dictates of the market” (Wendt 1997).

According to Chris Lawe Davis’ (1999) research, Australian journalists are increasingly drawn into the commercial strategies of their employers. In 2001, the Australian Broadcasting Authority (ABA) surveyed 100 news producers across different media and found that many of the practitioners cited the pressure of commercial interests and advertising as major influences on their work and saw “ownership as a subconscious pressure, which led to self-censorship” (ABA 2001). They broadly accepted that, as news producers, they were influenced by their proprietors’ commercial interests. Of most relevance for a study on government advertising, the news
producers revealed that it was on stories related to the commercial operations of their own outlets that their editorial independence was most likely to be compromised (ABA 2001).

Robin Tennant-Wood (2004: 8) has also found that the commercial media in Australia is reluctant to report links between business and government and concludes that it may well be that editorial decisions are “being made on the basis of advertisers’ choices or potential advertisers…” This includes a reluctance on the part of media companies to report that, as business entities, they are among the largest donors to political parties in Australia. For example, PBL donated $69,750 to the Labor Party and $182,995 to the Liberal Party in 2001-2002 (AEC 2005). A reluctance to report on general business-government links would presumably apply particularly to government advertising which closely links the media outlets, as business entities, with government.

**Commercial Radio**

Radio reporting of the issue of government advertising in 2004 was more frequent which, as we have noted, makes sense in view of the nature of radio and the greater proliferation of outlets and airtime for commentary. Table 4 shows the development of the news agenda on radio following Latham’s new government advertising policy announcement. The story did receive coverage, particularly during the morning, but by 12pm it was receiving less attention.
<table>
<thead>
<tr>
<th>Date</th>
<th>Channel</th>
<th>Time</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 May</td>
<td>ABC Radio National</td>
<td>8.30am</td>
<td>The Media Report</td>
</tr>
<tr>
<td>28 June</td>
<td>ABC Radio National</td>
<td>5am</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>ABC NSW</td>
<td>5am</td>
<td>Statewide radio news</td>
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<tr>
<td></td>
<td>ABC 702 Sydney</td>
<td>5am</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>ABC 774 Melb</td>
<td>5am</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>*2UE</td>
<td>5.37am</td>
<td>Mike Carlton</td>
</tr>
<tr>
<td></td>
<td>*2GB</td>
<td>5.45am</td>
<td>Alan Jones (Terry Willesee standing in)</td>
</tr>
<tr>
<td></td>
<td>*2UE</td>
<td>6.06am</td>
<td>Mike Carlton</td>
</tr>
<tr>
<td></td>
<td>ABC Radio National</td>
<td>6.30am</td>
<td>News</td>
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<td></td>
<td>ABC 774 Melb</td>
<td>6.30am</td>
<td>News</td>
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<td></td>
<td>ABC Radio National</td>
<td>7.00am</td>
<td>News</td>
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<td></td>
<td>ABC 774 Melb</td>
<td>7.00am</td>
<td>News</td>
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<td></td>
<td>*Sport 927</td>
<td>7.30am</td>
<td>News</td>
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<tr>
<td></td>
<td>*2UE</td>
<td>8.07am</td>
<td>Mike Carlton</td>
</tr>
<tr>
<td></td>
<td>*2GB</td>
<td>8.15am</td>
<td>Alan Jones (Terry Willesee standing in)</td>
</tr>
<tr>
<td></td>
<td>ABC Radio National</td>
<td>8.16am</td>
<td>AM</td>
</tr>
<tr>
<td></td>
<td>ABC 774 Melb</td>
<td>8.34am</td>
<td>Jon Faine (Glenn Bartholomew standing in)</td>
</tr>
<tr>
<td></td>
<td>ABC 774 Melb</td>
<td>8.36am</td>
<td>Jon Faine (Glenn Bartholomew standing in)</td>
</tr>
<tr>
<td></td>
<td>*2GB</td>
<td>8.38am</td>
<td>Alan Jones (Terry Willesee standing in)</td>
</tr>
<tr>
<td></td>
<td>*2SM</td>
<td>9.54am</td>
<td>Leon Delaney</td>
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<td></td>
<td>*2CH</td>
<td>12pm</td>
<td>News break</td>
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<td></td>
<td>*2GB</td>
<td>12pm</td>
<td>News break</td>
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<tr>
<td></td>
<td>ABC Radio National</td>
<td>12pm</td>
<td>News</td>
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<td></td>
<td>ABC 774 Melb</td>
<td>12pm</td>
<td>News</td>
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<tr>
<td></td>
<td>*2GB</td>
<td>12.23pm</td>
<td>Chris Smith</td>
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<tr>
<td></td>
<td>*2UE</td>
<td></td>
<td>News break 2pm</td>
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<tr>
<td></td>
<td>ABC Radio National</td>
<td>1pm</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>ABC 702 Syd</td>
<td>1pm</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>*2UE</td>
<td>2pm</td>
<td>News</td>
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<tr>
<td></td>
<td>*2CH</td>
<td>4pm</td>
<td>News</td>
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<tr>
<td></td>
<td>*2GB</td>
<td>4pm</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>ABC 702</td>
<td>4:25pm</td>
<td>Richard Glover (replaced by Simon Marnie)</td>
</tr>
<tr>
<td></td>
<td>ABC 702</td>
<td>5.44pm</td>
<td>Richard Glover (replaced by Simon Marnie)</td>
</tr>
<tr>
<td></td>
<td>*2GB</td>
<td>7pm</td>
<td>News</td>
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<tr>
<td></td>
<td>*2CH</td>
<td>7pm</td>
<td>News</td>
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<tr>
<td></td>
<td>*2UE</td>
<td>9pm</td>
<td>News</td>
</tr>
<tr>
<td></td>
<td>*2UE</td>
<td>12.20pm</td>
<td>John Stanley</td>
</tr>
<tr>
<td>30 June</td>
<td>ABC 702 Syd</td>
<td>2.55pm</td>
<td>James Valentine</td>
</tr>
<tr>
<td>6 July</td>
<td>ABC Radio National</td>
<td>7.38am</td>
<td>Breakfast program</td>
</tr>
</tbody>
</table>

Note * indicates commercial broadcaster
The 28th June was not a normal day in radio as many of the usual hosts (such as Alan Jones and Jon Faine) were on a break. Of the hosts presenting that day, Mike Carlton and Terry Willesee were most critical of government advertising but Chris Smith on 2GB in Sydney commented that Mark Latham had “got it wrong”.

Interestingly, two talkback callers’ comments were very similar. “Christine” on 774ABC and “Betty” on 2GB both said that government advertising was “a waste of money” and both mentioned the Medicare ads. This could be a coincidence or it could be a deliberate stacking of talkback calls by the ALP or other opponents of the government’s ads (“stacking callers” is a talkback tactic where the parties’ members and supporters phone in but represent themselves as an ordinary listener (discussed in Adams and Burton 1997; see also Ward 2002)).

Remarkably, a talkback caller named “Fred” on ABC 702 in Sydney, brought up propaganda theory when he mentioned that media networks were making money from the federal government’s advertising and expressed concern that they may change their editorial to suit.

**Public Broadcasting**

On both television and radio, the public broadcaster, the ABC, gave the issue more attention than commercial media outlets. This concurs with research which suggests the ABC’s coverage of politics, news and current affairs differs significantly from that provided on commercial TV stations (Turner 1996: 147).

Herman’s comments about public broadcasting in the US (in McChesney 1989) are also useful in explaining the Australian public broadcaster’s role in this case:

“[public broadcasting] has done better over the years in presenting dissenting views than the commercial media, despite the government’s role in its organization and financing. This shows how terrible the commercial media are. The restraints stemming from commercial and profit interests outweigh the limitations stemming from government quasi-control. This is why the right wing hates [public broadcasting] and urges its liquidation, or at least keeping it on a year-to-year budget and increasing its dependence on advertising….” (italics added).

In the case of government advertising, it appears that because the ABC is not yet reliant on commercial advertising revenue (despite the fact that conservative politicians and commentators
have lobbied for it), this allowed the ABC a degree of independence to report on a topic which related directly to the commercial operations of other outlets and which they were therefore reluctant to report on.

What Worked for the ALP?

While the ALP found it extremely difficult to gain commercial television coverage of their criticisms, the Party did have some success in drawing other media outlets’ attention to their criticisms of government advertising. In quantitative terms, the criticisms were not entirely filtered out although media coverage of the issue was heavily concentrated in newspapers and public broadcasting.

Within these parameters, some of the party’s attempts were clearly more successful than others as evidenced by the resulting media coverage. The timing of the ALP’s “above the line” techniques was crucial. The ALP clearly tried to set and drive the news agenda by carefully timing its announcements and performing a “sustained campaign of driving the news agenda in a particular direction over a period of time” (Gaber 2000: 512).

The greatest media attention occurred after Mark Latham announced the new policy on government advertising. This fits with what we know about how political news is judged to be “news worthy”. Firstly, the leadership focus and the increasingly “presidential” frame of Australian politics means that leader statements usually receive more attention than those of ministers, shadow ministers or backbenchers (Ward and Walsh 2000). More specifically, the Latham announcement contained an unusual, surprising (and probably impractical) twist—the prospect that the Liberal Party might have to “pay back” money spent on government ads—which was clearly important in gaining media attention and this factor tended to dominate reporting of the policy. Newspaper headlines, for example, stated “Labor ads plan could cost Coalition” or “Parties will pay for ads: Labor”.

The other element which seemed to allow the ALP some small degree of success in drawing attention to the issue was its use of figures. When an ALP media release contained figures about ad spending or ALP spokespeople who were interviewed provided figures on government ad spending it tended to spurn coverage in newspapers and would be repeated in headlines such as “Howard’s $151m ad blitz”, “taxes pay for $123m ads blitz” and “Ads cost us $40m”.

19
The “spendometer” was also critical in this respect. It seemed to spur media coverage in batches the two times that it was released as an attachment to a media release and the figures that it included were specifically mentioned in newspaper coverage and news headlines.

The language used by ALP spokespersons in their media interviews suggested that they were attempting to “stay on message”. Whatever their different portfolios, shadow ministers used similar rhetoric in describing the government ad spend as:

- “blatant political advertising” (Wayne Swan, doorstop interview, 21 June)
- an “appalling waste of public money” (Wayne Swan, doorstop interview, 22 June)
- an “obscene spending frenzy” (Bob McMullan, media statement, 25 June)
- “developed by the Government to assist its election prospects in the future” (Mark Latham, doorstop interview, 27 June).
- “an attempt by this Government to buy the election” (Julia Gillard, ABC Lateline, 21 June).
- “they’re abusing taxpayers” funds”. (Bob McMullan, ABC 7:30 Report, 16 June).
- “blatant political ads” (Wayne Swan, ABC Lateline, 18 June).

Another strategy which the ALP used was “planting a story”—supplying a newspaper with an article including a politician’s name as the by-line. Gaber (2000) describes this as a “below the line” technique because the articles have usually been written by a staffer. In this case, an opinion piece headed “Ugly rash of political spots” appeared in the national newspaper, the Rupert Murdoch-News Ltd-owned Australian, with ALP MP Nicola Roxon’s by line.

Overall, the ALP supplied material to “subsidise the media” including media releases but also copies of guidelines, visual photo-ops and TV soundbites. All of these were provided in a way that, as Herman (1995: 85) points out, “meets the demands of news organizations for reliable, scheduled input.”

**Conclusion**

Federal government advertising used during the phoney war in 2004 presents a useful opportunity to consider propaganda theory. Ultimately, this paper sought to examine whether commercial self-interest was paramount for media outlets or whether a major news source such as the ALP could use news management to break through news filters and voice criticisms of government advertising through the media.
While the story did garner some coverage it was still the case that ultimately the ALP’s “above the line” tactics did not break through the news filters that apply to commercial television and criticisms of government advertising spending were filtered out. This may be related to many different factors including the nature of commercial television programming. However, it may also be related, as propaganda theory suggests, to the way in which commercial media outlets tend to filter out news content which is critical of their major advertisers.

The findings in this study tend to confirm that media outlets are reluctant to report stories which link business and government and are particularly reluctant to report stories which relate to the commercial operations of their own outlets. In this sense, government advertising was always going to be a story which would be susceptible to a filtering out process because it links media outlets as business entities to government and also relates to their own commercial operations.

Drawing this conclusion does not deny the role of individual journalists in media outlets (see McDevitt 2003). The only mention of the issue of government advertising on Channel Nine was as a result of a story initiated and pursued by one of its journalists. This example shows that journalistic initiative and autonomy do still play a role. However, overall, the case of commercial TV reporting of government advertising in 2004 suggests that broader institutional and political economic factors played a much larger role in filtering out a news story antithetical to commercial media interests.

Overwhelmingly, when government advertising was mentioned in media reports in a critical light (mainly in newspapers), it was portrayed as a perk of office abused by incumbent politicians while its status as an economic link between media organisations and government was overlooked. Aside from the author, who discussed this in radio interviews, the only time there was any interrogation of government advertising as a source of media revenue was when “Fred” the talkback radio caller mentioned the link.

While it is a normative judgement as to what equals “adequate” public debate, in the pre-election period of 2004, the commercial media in Australia did not seem to adequately give voice to political divisions over government advertising nor “expose and carry forward debate” (McQuail 1986: 136). The findings highlight instead the importance of public broadcasting as an alternate source of news and current affairs which can report on stories which the commercial orientations of other outlets lead them to filter out.

Peter Golding and Graham Murdock (2000: 74) argue that “four historical processes are particularly central” to critical political economy: “the growth of the media; the extension of
corporate reach; commodification; and the changing role of state and government intervention.” Government advertising—its heightened use or its withdrawal—is a form of direct government intervention which has become a significant “information subsidy” for media outlets in Australia.

Government advertising is, of course, not the only factor at play in the relations between the governing party and the commercial sectors of the media in Australia. The favourable regulatory climate, political and personal connections, as well as political sympathies, are other significant features. The impact of revenue from government advertising on media content therefore needs to also be viewed in light of this broader political-media context.

Hermann has stressed in his later work that the propaganda model is not a “conspiracy” theory. It is not that the media are necessarily using news filters in a conscious or deliberate manner, instead the media comprises numerous independent entities “that operate on the basis of common outlooks, incentives and pressures from the market, government and organizational forces” (Herman 2000).

In Australia, government advertising has strengthened the connections between governments, media outlets and their proprietors in a country where the links between politicians and media owners are already traditionally so strong that they have raised serious concerns.

The findings of this study suggest that government advertising spending can not only undermine the level playing field of electoral competition which is required in a democracy, it can also impact upon commercial media outlets’ news selection and reporting and therefore, on the quality of public debate.

Government advertising revenue may not necessarily have been the sole cause of the filtering out of a story antithetical to both the government and media owners’ interests. However, as an information subsidy worth hundreds of millions of dollars, government advertising is a powerful force and can act as a disincentive for commercial media outlets to criticise the government on its record ad spending.
Notes

1 All figures used in this paper refer to Australian dollars (AUD$).
2 The Australian Democrats and the Australian Greens also expressed concerns.
3 It is important to note that academics are also used as “expert” sources and there were several academics who were also highly critical of government ad spending in 2004—including the author. She intends to address issues of news source access and the position of academics as sources in a separate article.
4 The sources were the Lexis-Nexis database, Factiva database, an Australian Parliamentary Library search of media collections, Fairfax Digital archives and Newstext archives. The author can provide a full list of all newspaper articles on the topic during 2004.
5 Including the ALP website’s online archive of media interviews with ALP spokespeople, the Prime Minister’s website archive of media interviews, the Liberal Party website archive, the ABC online archives (covering both TV and radio) and the Rehame media monitoring search.
6 The author also contacted the archives of Channel Nine and had them search to confirm the lack of stories on the topic. They confirmed that “we can’t seem to find anything that relevant to Government advertising in 2004 except the ACA story…” (TCN Archives Sales, private email to the author, 1 August 2005).
7 A full list of all 77 newspaper articles is available from the author.
8 Note: these are the names of channels in Melbourne where the author conducted research. See Jackson 2003 for name variations and for full details of current media ownership in Australia.
9 Including Today show host Steve Liebmann in anti-terror ads, Dr James Wright in ads on the pharmaceutical benefits scheme and Scott Cam from Backyard Blitz in ads for an apprenticeship scheme.
10 There are a number of assumptions and extrapolations in these figures. It would be far preferable to have more information however, the sales director at Channel Nine was not willing to discuss how much the station derives from government advertising.

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