

The Howard Government's Industrial Relations Information Campaign and the Limits to Incumbency Advantage

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Abstract

The concept of the permanent campaign was recently reviewed by American political scientists Mann and Ornstein (2000). At the 2005 ANZCA conference we discussed the extent to which the permanent campaign had come to Australia, using communications strategies at the 2004 federal election as a case study. This paper analyses the Howard government's \$55m information campaign to sell its new industrial relations (IR) reforms. The expensive advertising campaign was spread across newspapers, television channels, radio stations and even internet sites. It was widely criticised by media professionals, politicians and interest groups alike. The IR information campaign was an example of permanent campaigning in so far as it was an overtly partisan information campaign in the middle of an electoral cycle. However, it also revealed the limitations of incumbency advantage. Public anger over the plethora of taxpayer funded IR advertisements was symptomatic of declining public trust in politicians not to partake in overtly partisan activities. It may be that non-partisan government advertising that genuinely informs the public of initiatives and outcomes is of more political benefit to a government than overtly partisan campaigns such as the recent IR campaign.

Introduction

Spending over a billion dollars in its first decade in office, the federal Coalition government is one of the nation's biggest advertisers, outranking corporate entities such as Holden, Coles Myer and even McDonalds (*The Age*, 30 August 2005). Increasingly governments are using public information campaigns as part of their permanent election campaign. The concept of the permanent campaign was popularised in the United States by Blumenthal (1980). Permanent campaigning is important to understanding modern political communication. While an increasing number of voters are claiming to be making up their mind who to vote for in the last week of the formal election campaign, they are likely influenced in their decision by political messages received well before the formal campaign period, possibly including government advertising. This paper examines government advertising, specifically the Coalition's recent industrial relations campaign to sell its WorkChoices legislation.

According to Mann and Ornstein, 'the line between campaigning and governing has all but disappeared' (2000, p. vii). Modern campaign methods such as focus groups, qualitative polling, voter databases, and strategic use

of Senate resources for House of Representatives contests are used on a permanent basis to build a communications strategy. The resources of the state, including government advertising, postal and office entitlements of members of parliament, are also used to research and communicate with the electorate. While many of these techniques have been under development while also being in use for some time, it is only recently that they have been coordinated to the extent that the permanent campaign has reached Australia.

Incumbency Advantage in Australian Politics?

The re-election this year of the South Australian and Tasmanian Labour governments was accompanied by discussion of the benefits of incumbency in winning elections. Incumbents, with their attendant resources, are advantaged by modern moves to permanent campaigning. The resources of the state provide governments with substantial advantages over the opposition, including the ability to fundraise using ministers (van Onselen and Errington 2004), additional entitlements for their larger pool of MPs (van Onselen 2004), and of course access to government advertising (Orr 2006). But there are limits to incumbency advantage. Governments, despite a ruling by the High Court that they are legally within their rights to launch expensive government advertising campaigns about legislation yet to pass through parliament,¹ are by no means guaranteed that their partisan information campaigns will be well received. The recent industrial relations campaign serves as a case study of information campaign that whilst expensive and pervasive, appears to have not hit its mark.

The Coalition had foreshadowed changes to industrial relations legislation in its 2004 election platform, but winning control of the Senate from 1 July 2005 emboldened the government to make more radical proposals.² For example, the maximum number of employees a company could employ while remaining exempt from unfair dismissal provisions was raised from 20 to 100. Workplace Relations Minister Kevin Andrews outlined proposals approved by cabinet in February 2005. However, there was little detail attached to the proposals. In response, the Australian Council of Trade Unions (ACTU) launched its 'Your Rights At Work' campaign. In June 2005, the ACTU subsequently launched an \$8 million television and radio advertising campaign criticising the government's proposed changes. The government brought forward newspaper and radio advertisements designed to respond to the ACTU campaign, and opinion polls showed a slump in support for the government. After numerous delays, the WorkChoices legislation was introduced to the House of Representatives on 2 November 2005, a number of weeks after the television advertising campaign costing tens of millions of dollars had already commenced. Following a one week

¹ *Combet v Commonwealth* [2005] HCA 61. For a detailed review on the facts in the case see Orr (2006, pp. 18-22).

² See <http://www.aph.gov.au/library/pubs/online/WorkplaceRelations.htm> for a detailed timeline of events [accessed 20 February 2006].

inquiry, the Senate passed the bill a month later. Debate was guillotined in both houses.

Internationally incumbency advantages have been well-documented (for example, Mann & Ornstein 2000, Sayers 1999 and Zaller 1998). Broadly, there are two forms of incumbency advantage in politics: macro and micro. This paper is concerned with macro incumbency advantage. The macro level is that of government. A party with a majority in the House of Representatives has access to the advantages that being the government of the day affords. Such advantages include Departments, ministerial staff, government advertising, and setting policy. Micro incumbency advantage is assessed at the electoral district level. That is, the incumbency advantages a sitting MP has over a non-incumbent candidate.

For governments, there is an additional body known as the Government Members' Secretariat (GMS) that provides linkages between respective sections of the government, the political party in office and individual MPs. According to former Special Minister of State, Eric Abetz, the GMS 'provides information and resource support to private members' (Abetz, 2004). Young has highlighted government advertising as 'one of the key perks of incumbency' (The Age, 30 August, 2005).³ The following section examines the growth in government information campaigns, both in cost and in number.

The Growth in Government Information Campaigns

Government information campaigns vary in purpose and method. Campaigns that provide information about policy changes, promote public health or discourage dangerous activities such as speeding, don't (and shouldn't) arouse too much controversy. For example, the biggest campaigns (for Defence Force Recruitment) are not politically contested. It is when advertising is perceived to be promoting the policies of a political party that concerns are raised. Orr (2006, p. 1) has suggested the dramatic increases in government advertising, of a partisan nature, is a threat to concepts of equality and democracy. Working out where to draw the line between essential information campaigns and party propaganda, however, is not easy.

The most controversial campaigns have been those that used large amounts of government money to advertise changes that were yet to be legislated. This occurred in the cases of the goods and services tax in 1998 and changes to industrial relations laws in 2005. 'The New Tax System' campaign was the largest in Australian history running for several years. Of a total of over \$100 million, \$30 million was spent shortly before the 1998 election campaign.

³ See also Young (2004).

Table 1 Commonwealth Advertising Expenditure 1991-2004

	Nominal \$m	2003–04 prices: \$m
1991–92	\$48	\$61
1992–93	\$70	\$88
1993–94	\$63	\$79
1994–95	\$78	\$97
1995–96	\$85	\$103
1996–97	\$46	\$55
1997–98	\$76	\$89
1998–99	\$79	\$92
1999–00	\$211	\$240
2000–01	\$156	\$170
2001–02	\$114	\$122
2002–03	\$99	\$103
2003–04	\$109	\$109
TOTAL	\$1234	\$1408

Source: Grant (2004)

State governments', too, are spending increasing amounts on advertising. During the life of the Howard government, a period in which they have spent approximately \$1 billion on information advertising (see Table 1), the states are estimated to have spent in excess of \$2 billion (Orr 2006, p. 8). The Victorian government's \$6m 'building a world-class Victoria' campaign was attacked by the opposition as nothing more than government self-promotion (*The Age*. 22 December 2005).

While the trend to increase government expenditure on advertising took place under the Hawke and Keating governments', spending has been consistently higher under the Howard Government (in adjusted prices).⁴ Various concerns about these trends have been identified (increased spending, use of media advisors, surveillance functions). Political advertising is of a different nature to electoral advertising. Electoral advertising is a cost borne principally by political parties, with the possibility of reimbursement if the party manages to achieve over four percent of the vote. However, even then the amount they are entitled to is capped at \$1.94 per vote. In contrast, the money available to Government for political advertising is potentially unlimited. Governments are entitled to have access to taxpayers' money to fund advertising campaigns that are designed to inform people about new policies or modifications to existing ones.

The concern is that Governments are using the public purse to fund campaigns they possibly should not. That is, political advertising is not entirely being used to inform the public about changes to policy, but rather to

⁴ An early 1990s High Court ruling found that an implied constitutional right exists with respect to freedom of speech in political advertising.

advertise or sell the government itself. What compounds this problem is that it is often very difficult to differentiate political campaigns from election campaigns (see the ANAO Report) and that Governments are deliberately blurring the distinction between the two.

It is difficult to disagree with the following assessment from John Howard when he was opposition leader:

There is clearly a massive difference between necessary Government information for the community and blatant Government electoral propaganda. Propaganda should be paid for by political parties. (cited by Media Watch 28 June 2004)

Howard made that comment in response to the Keating Government's \$9.4 million 'Working Nation' campaign. The Howard government accelerated an existing trend towards increased government spending on advertising. Spending increased from \$61 million (in 2004 prices) in 1991-2 to \$103 million in 1995-6, and peaked at \$240 million in 1999-00 when the Howard government introduced the GST (or 'A New Tax System' as the propaganda preferred to put it.) Leaving aside the GST campaign, the Howard government has spent over \$100 million on advertising every year since 2000-01, a mark the Hawke and Keating governments reached only once (Grant 2004). At the time, Howard declared the Working Nation campaign 'a disgraceful sham' (reported on *Media Watch* ABC Television, 28 June 2004).

More recently, the Coalition Government's spending on the GST and Medicare has been surrounded by some controversy (i.e. the government gets to promote party policy shortly before an election along the lines Howard in opposition opposed). The Coalition's use of government advertising began to attract negative comment, especially the ubiquitous 'Strengthening Medicare' campaign after the May budget. Such carefully tailored advertising (and links to party messages) can become political overkill when it is designed to deliver policy messages for legislation that was highly controversial and opposed by the opposition when being debated through the parliament. Expensive advertising campaigns for such legislation risks negative publicity and a voter backlash over the cost and fairness of reinforcing messages from what was originally a partisan debate over policy, thereby outweighing the benefits from the advertising. It may ultimately be that the non-partisan forms of government advertising; those which promote government achievements or programs that do not have a blatant partisan script to them, are more beneficial as public relations propaganda than expensive partisan government advertising which incurs significant criticisms. A leaked cabinet document reflected government concerns over the 'danger that if [advertising] is perceived as a promotional campaign for the Government, it could heighten existing negative views of the system' (cited in *The Age*. 11 May 2004). Orr (2006, p. 15) also highlights that such campaigns can backfire. He points out that trying to persuade people away from a negative view by drawing attention to it 'may only reinforce those negative views'.

The Commonwealth Government must secure the passage of money bills through the parliament before it can embark on spending programs. With respect to policy initiatives new legislation or amendments to existing legislation needs to be passed by the parliament. However, sometimes Governments exploit loopholes in the system, spending money on advertisements, which haven't been approved by Parliament. They are able to do this courtesy of s81 of the constitution – 'raise money for the purposes of the Commonwealth' – via a contingency fund of up to \$390 million for the Governments use under specified conditions. This was in essence the basis for the High Court's ruling on *Combet v The Commonwealth* [2005].

There have been numerous attempts by the opposition to introduce Bills to Parliament which would restrict uses of political advertising (for example the *Government Advertising Bill 2000*).⁵ Not surprisingly, the government has not been supportive of these Bills. Of course at the state level it is the Labor Party in government which opposes restrictions to political advertising proposed by Liberal and National Party oppositions, highlighting that concerns over government advertising presenting as overtly partisan is a concern of opposition not one side of politics over the other. A number of states Auditors General have reported that the growth in government advertising has been significant over time (Harris 2006, p. 5). Sawer has commented on spikes in government advertising prior to elections in recent years, and the absence in Australia of legislation like that in Canada, New Zealand and the United Kingdom aimed at limiting partisan government advertising (2004, p. 4). The federal Auditor General recommended that government undertake a parliamentary review of government advertising and even went as far as suggesting draft guidelines for ensuring that the boundaries between political advertising and electoral advertising remain relatively fixed.

While the advertisements themselves are by their nature on public display, other important elements of the government's communications strategy are not. Figures on advertising spending do not include the costs of market research, campaign design and distribution, all areas in which costs in recent years have likely substantially increased. Former senior Department of Finance official, now Canberra University Professor, Stephen Bartos (2005) argued in his submission to a Senate Committee inquiry into government advertising that all such research should be publicly available. This would be a disincentive against advertising campaigns being used for partisan purposes.

The WorkChoices Campaign: Incumbency Advantage Backfires?

The Liberal Party is the party of big business, National Party Senator Barnaby Joyce (*The Australian*, 30 May 2006)

Striking the right balance between too much detail in advertisements and too little is inherently difficult in government information campaigns. Avoiding criticism is even more difficult when the advertisements have a partisan bent

⁵ Also note the ALP machinery of govt policy, 2004.

to them. In the case of the WorkChoices campaign there was more than just a partisan bent – industrial relations is one of the few remaining battlegrounds our major parties are strongly divided over. The divide between the parties on industrial relations has been widened by Kim Beazley's decision to abolish Australian Workplace Agreements if elected (*The Australian*, 19 June 2006).

While the precise figure is not yet publicly available, the government was widely reported to have spent \$55 million on its WorkChoices campaign. It was the biggest single campaign since the 'New Tax System' campaign, which was spread over a number of years. Commercial television viewers were inundated with varying advertising forms of the WorkChoices campaign, which lasted only a few weeks. At first, the government proposed spending \$20 million dollars on the advertisements. This was later raised to \$40 million, but estimates of over \$50 million soon became commonplace. Television advertisements began in October 2005, yet the Senate did not pass the relevant amendments to the Workplace Relations Act until 2 December 2005.

The number of people who thought the changes would be good for the economy remained exactly the same before and after the government's advertising campaign, at 31 percent. Similarly the numbers who thought the reforms would make them personally better or worse off was unchanged <<http://www.newspoll.com.au>>⁶. Public perceptions about the best party to handle industrial relations also changed markedly over this period. The gap in favour of Labour increased from three percent in June 2004 to 12 percent in June 2005, 24 percent in October 2005, decreasing to 19 percent in February 2006 following the parliamentary summer break <<http://www.newspoll.com.au>>. The more the issue was discussed, the more public opinion turned against the government. The government was even accused of trying to divert attention from its legislation by again raising the spectre of terrorism (Tiffen 2006). Yet, this is a strange accusation to make about a government spending a small fortune in drawing attention to its policy through its government advertising. Perhaps government strategists decided it was time for a change of tactics? It is hard to imagine that advertising professionals considered that the blanket prime time coverage was a good idea.

The government repeatedly insisted that the purpose of the campaign was to provide detail to the changes so the public would be fully informed. For example, Andrew Robb (2005), appointed to manage the WorkChoices campaign, said so on Channel Ten's 'Meet the Press'. Were that really the case, however, the government would not have released 500 pages of regulations just days before the legislation came into effect – during the Commonwealth Games, and the day after the Tasmanian and South Australian elections. The government did cite the need to correct misleading information spread by opponents of the legislation. Public misperceptions about government programs could conceivably be a problem that needs to be corrected by an information campaign. However, if the primary purpose of the campaign was to provide detail not public relations, why didn't the

⁶ Newspoll surveys were conducted on 21-23 October and 16-18 December.

government run further advertisements once the legislation had passed through the parliament; especially given over 300 amendments were made to the legislation?

Strategic problems with the delivery of the WorkChoices campaign calls into question the entire communications infrastructure at Commonwealth level. However, the advice that the government receive from communications specialists, including private consultants, remains secret. The problems attached to the management of the campaign do not necessarily mean it was an abject failure. Whilst it should have been managed better, the fact the government was able to combat the ACTU's scare campaign may have reduced the negativity that the public has since felt towards the reforms.

A survey for the *Australian Financial Review* conducted after the WorkChoices campaign found that only 13 percent of businesses believed they understood the detail of the changes. 'Television advertisements have not worked,' claimed Australian Business Limited chief executive Mark Bethwaite, who called on the government to use another strategy to promote the reforms (*The Australian Financial Review*. 4 January 2006). By contrast, the Australian Council of Trade Unions was much more successful in their 'Your Rights at Work' campaign, directed against the government's industrial relations policies. The task facing the ACTU was to raise public awareness of the proposed changes. Protests against the government's legislation were the biggest in a decade, with over 100,000 attending the main protest in Melbourne. The number of people who rated the issue of industrial relations as very important increased from 31 percent in June 2004 to 41 percent in June 2005 and again to 49 percent in October 2005 <<http://www.newspoll.com.au>>.

Of course the use of government advertising for party political advantage didn't end with the federal governments WorkChoices campaign, not even in the realm of industrial relations. The NSW and Victorian Labour governments both ran information advertisements against the federal government's legislation. That is, proposed legislation not yet passed by parliament. Federal and state governments using taxpayer funded advertising dollars to run a media campaign against one another about legislation not yet passed by parliament highlights the normative need to reform the present rules governing information advertising. The success of the ACTU campaign forced the government to bring forward its own campaign, even though the detail of the proposed legislation had yet to be finalised. This brought the government the added controversy of again spending millions of dollars promoting changes that were yet to be legislated.

Conclusion

The government was prepared to wear criticism over its Strengthening Medicare campaign since those advertisements contained information about benefits to important Coalition constituencies. It is more difficult to see any corresponding benefit from the WorkChoices campaign since it appears to have failed in its primary objective of persuading the electorate about the desirability of the reforms, as indicated by opinion polls. Employer groups

needed no such persuasion. Indeed, they launched their own advertising campaign in support of the government's legislation. Businesses requiring detailed information about the reforms could contact the Business Council of Australia's information line for follow-up assistance.

None of this appears to have diminished the zeal of government reformers however. Promising another round of reform to the anti-union H.R. Nicholls Society, government leader in the Senate, Nick Minchin, acknowledged that 'the fact is the great majority of the Australian people do not support what we are doing on industrial relations. They violently disagree.' (AM. ABC Radio. 8 March 2006). This is characteristic of a government that is obsessive in its tracking of public opinion, yet also defies that opinion on issues it considers of paramount importance.⁷ The government considers advertising to be crucial to its ability to convince the public to accept, if not embrace, such unpopular decisions.

The government's industrial relations advertising campaign was high risk, as acknowledged by the government in the leaked cabinet document referred to previously. Whilst the campaign did not succeed in increasing the public's support for the reforms, it may be that the intention was to avoid opposition to the reforms substantially growing. Without the expensive government information campaign the ACTU's campaign against the IR reforms might have had an even greater impact than it did. It is difficult to make conclusions on the success or failure of the campaign, but we can conclude that it is a significant development in permanent campaigning in Australia. The WorkChoices advertising campaign was an overtly partisan government information campaign delivered in the middle of an electoral cycle.

The law requires non-essential government advertising to cease during the formal election campaign period, a requirement based on the assumption that government advertising has the potential to influence the decisions of voters.⁸ If political parties are today engaged in a permanent election campaign, perhaps non-essential government advertising should be banned altogether.

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⁷ Whilst the Howard government has been regularly accused of being overly poll driven, it has implemented a number of unpopular legislative initiatives. The Good and Services Tax, legislation providing for the full sale of Telstra (and for that matter the previous two sell offs), and now industrial relations reforms have all been tracked as unpopular legislation <<http://www.newspoll.com.au>>.

⁸ Never mind that electoral provisions provide for public funding of MPs and their staff during the course of an election campaign right up until the formal party campaign launch. This is the reason we see both major parties hold their formal campaign launch so late in the campaign period.

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