

Parliament of the Commonwealth of Australia

Who pays the piper calls the tune

- minimising the risks of funding
political campaigns

**Inquiry into the Conduct of the 1987 Federal Election
and 1988 Referendums**

**Report Number 4 of the
Joint Standing Committee on Electoral Matters**

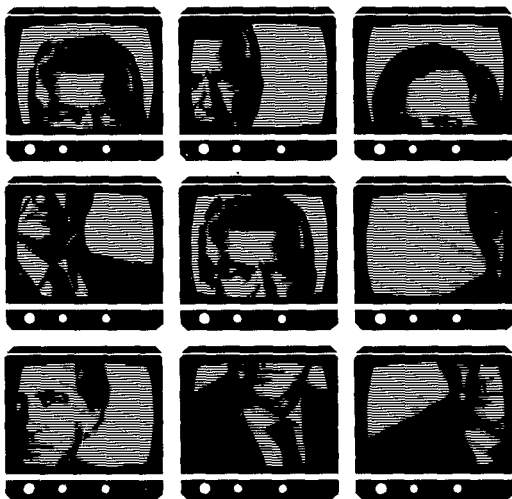
June 1989

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CANBERRA**



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FEDERAL ELECTION AND 1988 REFERENDUMS

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Joint Standing Committee on Electoral Matters

DEPARTMENT OF THE SENATE
PAPER No. 3499
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<i>Mary Evans</i>



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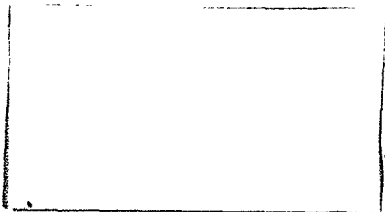
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JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

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2. Replaced Mr Gary Punch, MP on 16 February 1988
3. Replaced Mr Peter Shack, MP on 25 May 1988
4. Replaced Senator John Coulter on 25 November 1988

TERMS OF REFERENCE OF THE INQUIRY

On 28 October 1987 the then Minister for Home Affairs, Senator the Hon. Robert Ray, gave the Committee a reference to inquire into and report upon:

All aspects of the conduct of elections for the Parliament of the Commonwealth and matters related thereto, including:

- (i) legislation governing, and the operation of, the Australian Electoral Commission,
- (ii) the provision of 'free' time on radio and television for political messages during election periods,
- (iii) the provisions of the Commonwealth Electoral Act 1918 concerning the defamation of candidates for election, and
- (iv) tax deductibility of political donations.

On 31 August 1988 the above reference was widened by the then Minister for Home Affairs, Senator the Hon. Robert Ray with the requirement that the Committee inquire into and report upon:

All aspects of the conduct of elections for, or votes on behalf of, the Parliament of the Commonwealth and matters related thereto, including:

- (i) legislation governing, and the operation of, the Australian Electoral Commission;
- (ii) the provisions and operation of the Commonwealth Electoral Act 1918; and
- (iii) the provisions and operation of the Referendum (Machinery Provisions) Act 1984.

This Report deals with item (ii) of the reference given to the Committee on 28 October 1987, that is, the provision of 'free' time on radio and television for political messages during election periods. The Report also deals with funding and disclosure issues raised in relation to the 1987 election.

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PREFACE

In examining the conduct of the 1987 federal election the Committee indicated that it would welcome submissions on matters which individuals or organisations believed should be brought to the attention of the Committee. Political advertising on radio and television was one matter of concern which was raised in various submissions and notably a submission from the Australian Labor Party.

The issue of political advertising and in particular, a proposal for the extension of free political advertising to commercial radio and television put forward by the Labor Party was of such importance that the Committee decided to examine these issues in detail.

The rising cost of television advertising time has coincided with the growing use of that medium for political advertising. This has greatly increased the reliance of parties on corporate sponsorship. The Committee is concerned that heavy reliance by parties on such sponsorship risks the distortion of our open democratic system.

The electoral system should ensure that large financial sponsors, having paid the piper, do not also call the tune. The wider membership of political parties should not lose its influence within the respective parties.

The Committee has made recommendations which should minimise the risks of funding political campaigns.

The Committee gratefully acknowledges the assistance given to it during the Inquiry by individuals and organisations that provided written submissions and gave evidence. The Committee is also grateful for the assistance provided by the Electoral Commissioner, Dr Colin Hughes, and his staff and for the work undertaken by the staff of the Parliamentary Library, and the Parliamentary Reporting Service. The Committee particularly thanks Denise Denahy, Helen Misa and Trevor Rowe for the support they have given to the Inquiry.

RECOMMENDATIONS

Chapter 7

1. The Commonwealth Electoral Act 1918 be amended so as to provide the Australian Electoral Commission with the power to conduct spot audits of the electoral activities of registered political parties. (Paragraph 7.16)
2. The Australian Electoral Commission in all future reports on the operation of Part XX of the Commonwealth Electoral Act 1918 publish a record of all spot audits undertaken, the reports to provide detailed information on audits only where breaches of the Act have occurred. (Paragraph 7.16)
3. The Commonwealth Electoral Act 1918 be amended so as to provide for the full disclosure of all forms of income and expenditure by registered parties. (Paragraph 7.16)
4. Section 305 of the Commonwealth Electoral Act 1918 be amended so that during any one disclosure period third parties are required to disclose income and expenditure which relates to any election and not just the election bounded by the current disclosure period. (Paragraph 7.30)
5. The Australian Electoral Commission in all future reports on the operation of Part XX of the Commonwealth Electoral Act 1918 publish its current listing of third parties. (Paragraph 7.33)
6. The Commonwealth Electoral Act 1918 be amended so as to provide for the full disclosure of all the income of and expenditure by third parties publicly listed by the Australian Electoral Commission in its reports on the operation of Part XX of the Commonwealth Electoral Act 1918. (Paragraph 7.34)

7. The Commonwealth Electoral Act 1918 be amended so as to provide the Australian Electoral Commission with the power to conduct spot audits of third parties known or found to have a financial relationship with a registered political party. (Paragraph 7.36)

Chapter 9

8. The Broadcasting Act 1942 be amended so as to provide for a system of allocating free time for political broadcasting on television and radio for elections in Australia. (Paragraph 9.17)

Chapter 10

9. An independent committee, such as the Party Political Broadcast Committee in the United Kingdom, be established and that it have responsibility for allocating free time to parties and candidates and the determination of time slots. (Paragraph 10.14)

Chapter 11

10. No minimum time period be set for political advertisements broadcast on radio and television. (Paragraph 11.5)
11. The Broadcasting Act 1942 be amended to ensure that the policy launches of major parties be broadcast free of charge at reasonable times. The Australian Broadcasting Corporation campaign launch broadcast times should remain as presently allocated. (Paragraph 11.24)
12. Section 116 of the Broadcasting Act 1942 be amended so as to remove responsibility for administrative arrangements for the electronic blackout from the Australian Broadcasting Tribunal and place the responsibility on the licensees. (Paragraph 11.33)
13. The Broadcasting Act 1942 be amended so as to provide for the official logo or name of the party or individual appearing for a minimum of 1 second at the conclusion of political advertisements, to be sufficient identification under the Act. (Paragraph 11.44)

14. The Australian Broadcasting Tribunal should resume collection of statistics on total time of telecasts and broadcasts of political matter on television and radio stations during election periods. (Paragraph 11.49)

CHAPTER 1

OVERVIEW

- . Current Situation in Australia
- . International Comparisons
- . Submissions and Evidence
- . Election Funding and
Financial Disclosure
- . Cost
- . Options
- . Free Time Proposals
- . Other Issues

1.1 This chapter provides an overview of the Report and highlights the recommendations made by the Committee.

1.2 The Report is the fourth report prepared by the Joint Standing Committee on Electoral Matters and is concerned with the issue of political advertising and matters relating to the public funding and financial disclosure provisions of the Commonwealth Electoral Act 1918 (The Electoral Act). The issue of political advertising was raised during the Committee's Inquiry into the Conduct of the 1987 Federal Election and 1988 Referendums. The Conduct of the 1987 Federal Election is dealt with in the Committee's third report which was tabled on 1 June 1989.

Current Situation in Australia

1.3 Chapter 4 deals with the current political advertising situation in Australia. The Australian Broadcasting Corporation's allocation of free time is discussed, as well as the current practice of commercial television and radio stations which, although not providing free time, do broadcast election policy speeches at no charge. In addition, during non-election periods, some television stations in non-metropolitan areas provide limited free time to some Members of Parliament.

1.4 The current television advertising deregulation period in Australia is discussed, with the Committee noting that an inquiry will be held by the Australian Broadcasting Tribunal (ABT) at the end of the trial period to consider the re-introduction of advertising time standards.

International Comparisons

1.5 Chapter 5 provides an overview of political advertising in various overseas countries with the Committee concluding that Australia is one of the few western democracies that permits paid political advertising and that amongst such countries Australia's system is probably the most laissez faire.

Submissions and Evidence

1.6 Chapter 6 deals with submissions and evidence presented to the Committee by the main witnesses and discusses the ALP's 'quality principle'. The chapter reveals opposition to the allocation of free time by the commercial broadcasters.

Election Funding and Financial Disclosure

1.7 A general lack of knowledge about what political parties may or may not be declaring is illustrated in Chapter 7. It is noted that parties now have regular incomes which derive from a variety of sources but that these incomes are not required to be disclosed because they are not donations. While income from capital explains the origin of some of the extra money spent by parties, the remainder must be seen as donations which may not be required to be disclosed under current legislation.

1.8 The Electoral Commissioner explained that he saw no need for a universal audit system but favoured spot audits being carried out on a random basis.

1.9 The Committee recommends that:

The Commonwealth Electoral Act 1918 be amended so as to provide the Australian Electoral Commission with the power to conduct spot audits of the electoral activities of registered political parties.
(Recommendation 1)

The Australian Electoral Commission in all future reports on the operation of Part IX of the Commonwealth Electoral Act 1918 publish a record of all spot audits undertaken, the reports to provide detailed information on audits only where breaches of the Act have occurred. (Recommendation 2)

The Commonwealth Electoral Act 1918 be amended so as to provide for the full disclosure of all forms of income and expenditure by registered parties. (Recommendation 3)

1.10 The Committee notes that the amendments contained in the Electoral and Referendum Amendment Bill 1988 now before the Parliament will go some way to improving the situation with regard to third parties but believes a further change is needed. In particular, the Committee is of the opinion that during any one disclosure period there is a requirement on third parties to disclose expenditure which relates to any election and not just the election bounded by the disclosure period.

1.11 The Committee recommends that:

Section 305 of the Commonwealth Electoral Act 1918 be amended so that during any one disclosure period third parties are required to disclose income and expenditure which relates to any election and not just the election bounded by the current disclosure period. (Recommendation 4)

1.12 The Australian Electoral Commission (AEC) maintains a 'call group' of third parties which is a cumulative listing of third parties participating in federal elections and at the time of an election, the AEC writes to those on its call group reminding them of their obligations under the Electoral Act. The Committee believes that the publication of this call group list would go some way to alerting the public, the media and the Parliament of the role of third parties and recommends that:

The Australian Electoral Commission in all future reports on the operation of Part IX of the Commonwealth Electoral Act 1918 publish its current listing of third parties. (Recommendation 5)

1.13 Because of the activities and growing importance of third parties the Committee sees a need to subject third parties to the disclosure requirements applying to registered political parties. The Committee therefore recommends that:

The Commonwealth Electoral Act 1918 be amended so as to provide for the full disclosure of all the income of and expenditure by third parties publicly listed by the Australian Electoral Commission in its reports on the operation of Part IX of the Commonwealth Electoral Act 1918. (Recommendation 6)

1.14 In addition, the Committee believes the AEC should have power to conduct spot audits of those third parties that are known or found to have a financial relationship with a registered political party.

1.15 The Committee recommends that:

The Commonwealth Electoral Act 1918 be amended so as to provide the Australian Electoral Commission with the power to conduct spot audits of third parties known or found to have a financial relationship with a registered political party. (Recommendation 7)

Cost

1.16 The cost of political advertising in Australia is discussed in Chapter 8. The Committee noted the increasing gap existing between public funding and the amount of money required for advertising at federal elections, and expressed concern about the situation. The Committee believes that the ability to buy television and radio advertising should not and must not play a determining part in federal elections.

Options

1.17 Chapter 9 documents various options considered by the Committee. They include:

- . increasing the level of public funding to take account of the greater cost of election media advertisements;
- . tax deductibility of political donations;
- . imposing a ceiling on paid political advertising on radio and television;
- . imposing a complete ban on political advertising on radio and television; and
- . providing free time for political advertising.

1.18 The Committee viewed the fifth option, that is the provision of free time, as the most suitable for allowing parties to advertise their policies to voters without becoming increasingly dependent on finance from large corporations.

1.19 The Committee therefore recommends that:

The Broadcasting Act 1942 be amended so as to provide for a system of allocating free time for political broadcasting on television and radio for elections in Australia. (Recommendation 8)

Free Time Proposals

1.20 Having decided that a system of free political advertising should be introduced during election periods, the Committee considers various means of implementing such a system in Chapter 10.

1.21 The formula presented in this chapter was adopted after considering a number of alternatives. The Committee believes that this formula which provides for the allocation of a pool of free time for political broadcasts is fair to political parties, broadcasting networks and voters.

1.22 While free time should reduce the pressure on political parties to obtain large donations from corporate donors, the Committee is concerned that such donations, if restricted to Federal elections, may be channelled elsewhere eg. to State or local elections, to other non-campaign purposes, or to subsidise paid political advertising. The Committee therefore believes that free political advertising time should apply to both Federal and State elections, and that all political parties should be required to disclose all donations, whether they are for Federal, State or local campaigns or for other non-campaign purposes.

Application

1.23 Free time for political advertising should therefore apply for both Federal and State elections subject to the following conditions:

- . there be no paid political advertising on radio or television from the date of the Issue of the Writs to polling day; and
- . all registered political parties or candidates accepting free time on radio or television submit to the AEC a return which discloses all donations, incomes and expenditures, irrespective of the purposes for which they were received or made. The requirement for this disclosure is contained in Recommendation 6 (Paragraph 7.16, Chapter 7).

1.24 It is important to note that at the State level to qualify for free advertising time all political parties or candidates must follow the comprehensive disclosure provisions recommended by the Committee to apply at the Federal level.

1.25 In the case of by-elections the free time proposal should not apply nor should paid political advertising on television or radio be permitted. These qualifications relate to the service area(s) associated with a by-election and apply from the date of the Issue of the Writs to Polling Day. It is noted that the ABC does not provide free time for by-elections.

Allocation

1.26 Allocation of free time available for distribution to political parties and candidates should adhere to the following principles:

- . Free time should be provided (broadcast) from seven days after the Issue of the Writs until the start of the election blackout, three days before polling day.
- . The amount of free time on each television or radio station will be one minute per hour for the period the station is broadcasting from 6.00am until 12.00 midnight, except in the case of television during the children's hour from 4.00pm - 5.00pm on weekdays.
- . The extra one minute per hour will be at the expense of station promotions. Therefore, the maximum limits on commercial advertising on television will be the same as in a non-election period, that is 11 minutes per hour in prime time and 13 minutes per hour in non-prime time.

1.27 The Committee decided that one minute per hour of free time should be provided because this is the maximum additional amount of paid advertising which commercial television stations have been permitted to broadcast in previous elections under the now repealed ABT rule TAC 12. Under this rule the ABT gave permission for limits on advertising during an election period to increase to 12 minutes in prime time and 14 minutes in non-prime time.

1.28 By providing an extra one minute per hour of free time at the expense of station promotions, television station revenue during an election period will remain the same as that outside an election period.

1.29 While the television networks may argue that ABT regulations on advertising have been deregulated for a trial period of two years, the networks have given guarantees that the level of advertising will not increase during the trial.¹

1.30 While paid political advertising should only be permitted prior to the issue of the writs, from one week after this date the only permissible political advertisements will be those provided for under the free time formula.

1.31 The Committee believes that up to 17 minutes per day of free time should be allowed on each television and radio station effective from seven days after the Issue of the Writs. The period of seven days is intended to allow all political parties time to prepare their advertisements. The total amount of free time for a Federal election will be of the same order of magnitude as the total amount of paid political advertising at the 1987 federal election. Therefore, the proposal will not lead to a major increase or decrease of political advertisements in comparison with past Federal elections.

Implementation

1.32 The Committee was reluctant to determine an exact formula for allocating a pool of free time between various eligible parties but has instead sought to formulate guidelines to provide for a fair distribution of free time to those participating in the political process.

1.33 The Committee recommends that:

An independent committee, such as the Party Political Broadcast Committee in the United Kingdom, be established and that it have responsibility for allocating free time to parties and candidates and the determination of time slots. (Recommendation 9)

1.34 The Australian version of the Party Political Broadcasting Committee (which would be referred to as the PPBC) should have discretion in allocating free time in certain circumstances as is currently the case with the allocation of time for political broadcasts by the Board of the ABC.

1.35 The role of the PPBC would be of the utmost importance in the application of a system of free time and hence its membership would also be of importance. The final view of the Committee is that as the ABT has been responsible for the regulation of television and radio advertising in the past it should be responsible for this further development in the broadcasting area. Some form of consultative process would be necessary between the PPBC and radio and television networks to ensure fairness to all participants.

1.36 Should there be disagreement over a decision of the PPBC there should be a right of appeal to an Appeals Committee. Such a committee should consist of representatives from the ABT, the AEC, and representatives from PARB and FACTS.

1.37 The Committee considered formulae used in other Western democracies for the allocation of free time for political advertising. Formulae based on the number of Members and Senators elected to the Parliament and the number of candidates a party nominated were also examined but rejected.

1.38 The Committee believes that the formula for allocating free time should be based largely on the level of support which a party has received at the previous election. In particular, it is felt that the formula which has been used to allocate public funding at the 1984 and the 1987 elections should be used as a model in allocating free time to political parties and candidates who nominated at the previous election.

1. Evidence, p. 825.

1.39 If one or more Members or Senators should leave their party (such as happened with the ALP in the 1950s and more recently with Senator Vallentine's split from the NDP), the Committee believes the free time allocated to the affected party should be shared between the parties and the sitting Senators. In situations such as these, the PPBC should use its discretion to determine the allocation of free time.

1.40 There was some concern that by using the public funding formula, based on the number of votes received at the last election, a new political party may have significant support but be ineligible for any free time. In such cases the Committee recommends that up to 5% of the total amount of free time in any one State be shared amongst any registered political parties which nominate candidates for the Senate and more than half the House of Representatives seats in any one State. A political party which is unable to nominate candidates in more than half the seats in one State will be considered not to have demonstrated that it has sufficient support to qualify for free time. This will give the PPBC some flexibility to provide some free time to new political parties.

Other Issues

1.41 Chapter 11 discusses the duration of advertisements, packaged campaign launches, definition of 'Election Period', electronic blackout, discounts, authorisation of political advertisements and the collection of statistics.

1.42 The Committee agreed that two-minute minimum announcements should continue on the ABC but is not satisfied that the imposition of a two-minute political advertisement on commercial stations would result in an improvement in the quality of political advertisements. The Committee therefore recommends that:

No minimum time period be set for political advertisements broadcast on radio and television. (Recommendation 10)

1.43 Whilst the Committee sees the advantages of live coverage of policy speeches, it is of the opinion that all commercial stations should not be forced to broadcast policy speeches live. However, the Committee is concerned that in recent elections, policy speeches on some stations have been broadcast in very late time slots.

1.44 The Committee recommends that:

The Broadcasting Act 1942 be amended to ensure that the policy launches of major parties be broadcast free of charge at reasonable times. The Australian Broadcasting Corporation campaign launch broadcast times should remain as presently allocated. (Recommendation 11)

1.45 The Committee noted that the ABT believes that it should no longer be responsible for the administration of the electronic media blackout provision and that the onus for ensuring a blackout is observed for elections and by-elections should be placed on the licensees.

1.46 The Committee agrees that licensees should be responsible enough to ensure blackout provisions are adhered to rather than be dependent on the ABT to advise them when an election is being conducted in their service area.

1.47 The Committee therefore recommends that:

Section 116 of the Broadcasting Act 1942 be amended so as to remove responsibility for administrative arrangements for the electronic blackout from the Australian Broadcasting Tribunal and place the responsibility on the licensees. (Recommendation 12)

1.48 The Committee noted that political candidates in the USA are charged for their advertisements at the lowest discount rate charged to their best commercial clients. While the Committee believes that this is a fairer system than that presently operating in Australia the provision of free time will overcome this problem.

1.49 The Committee considered the necessity to show and announce who is authorising advertisements and for which party, and concluded the official logo or name of the party or individual appearing for a minimum of 1 second at the conclusion of political advertisements on television is sufficient identification. On radio, the authorisation should refer to the party authorising the advertisement or the individual on whose behalf the advertisement is broadcast.

1.50 The Committee therefore recommends that:

The Broadcasting Act 1942 be amended so as to provide for the official logo or name of the party or individual appearing for a minimum of 1 second at the conclusion of political advertisements, to be sufficient identification under the Act. (Recommendation 13)

1.51 The Committee noted that until 1984 the Australian Broadcasting Tribunal collected statistics on time used by political matter on radio and television during election periods. But following promulgation of the Commonwealth Electoral Legislative Amendment Act 1983 (enacted on 21 February 1984), the ABT ceased to collect these statistics claiming that the responsibility had passed to the Australian Electoral Commission.

1.52 However, the AEC does not accept that it has this responsibility. Details in broadcasters' returns to the AEC do not provide statistics relating to the amount of time allocated to political broadcasts during an election campaign.

1.53 The Committee expressed concern that statistics on paid political advertising are no longer maintained.

The Committee therefore recommends that:

The Australian Broadcasting Tribunal should resume collection of statistics on total time of telecasts and broadcasts of political matter on television and radio stations during election periods. (Recommendation 14)

CHAPTER 2

BACKGROUND

- . The Inquiry
- . Political Advertising
- . 1987 Funding and Disclosure Report

The Inquiry

2.1 This Report is the fourth report prepared by the Joint Standing Committee on Electoral Matters (hereafter referred to as 'the Committee'). The Report is concerned with the issue of political advertising and matters relating to the public funding and financial disclosure provisions of the Commonwealth Electoral Act 1918. The issue of political advertising was raised during the Committee's Inquiry into the Conduct of the 1987 Federal Election and 1988 Referendums. The Conduct of the 1987 Federal Election is dealt with in the Committee's third report.¹

2.2 On 28 October 1987 the then Minister for Home Affairs, Senator the Hon. Robert Ray, referred to the Committee the following matter for inquiry and report:

All aspects of the conduct of elections for the Parliament of the Commonwealth and matters related thereto, including:

- (i) legislation governing, and the operation of, the Australian Electoral Commission,
- (ii) the provision of 'free' time on radio and television for political messages during election periods,
- (iii) the provisions of the Commonwealth Electoral Act 1918 concerning the defamation of candidates for election, and
- (iv) tax deductibility of political donations.

2.3 In accordance with this reference the Committee decided to conduct an inquiry into the conduct of the 1987 federal election. Advertisements announcing the inquiry and calling for submissions appeared in the national press on 19 and 20 February 1988.

2.4 On 31 August 1988 the Minister for Home Affairs again wrote to the Committee. On this occasion the Minister provided

1. Tabled 1 June 1989

the Committee with a revised terms of reference which allowed the Committee to widen its inquiry to include the conduct of the 3 September 1988 referendums. The Committee advertised this new part of its inquiry on 23 and 24 September 1988. It is anticipated that a report on the 1988 Referendums will be tabled during the 1989 Budget Sitzings.

Political Advertising

2.5 In examining the conduct of the 1987 federal election the Committee indicated that it would welcome submissions on matters which individuals or organisations believed should be brought to the attention of the Committee. Political advertising on radio and television was one matter of concern which was raised in various submissions and notably a submission from the Australian Labor Party.²

2.6 The issue of political advertising and in particular, a proposal for the extension of free political advertising to commercial radio and television put forward by the Labor Party was of such importance that the Committee has decided to prepare a report examining these issues in detail.

2.7 The Committee wrote to all political parties, the Federation of Australian Commercial Television Stations (FACTS), the Federation of Australian Radio Broadcasters (FARB), the Advertising Federation of Australia (AFA) and other organisations and individuals which had made submissions on political advertising to the Committee's predecessor, the Joint Select Committee on Electoral Reform.

2. Evidence, pp. S180-96.

2.8 In 1986 the Joint Select Committee on Electoral Reform, advertised an inquiry into free time for political advertising and the question of tax deductibility of political donations.

2.9 The terms of reference for the Joint Select Committee's inquiry and a list of those submissions received by the Joint Select Committee are to be found in Appendix A and Appendix B respectively. Not all of the individuals and organisations that made submissions to the Joint Select Committee took up the invitation of this Committee to make another submission. However, in cases where new submissions have been made, the relevant submission made in 1986 has been reproduced in the current series of submissions volumes. Appendix C contains an annotated list of submissions made as part of the Committee's overall inquiry.

2.10 To date the Committee has held eight public hearings for the Inquiry into the Conduct of the 1987 Federal Election and 1988 Referendums. While many of these hearings have touched on the issue of political advertising, three have been primarily concerned with the issue. These three hearings were held on:

- . 11 November 1988 (Canberra);
- . 16 March 1989 (Canberra); and
- . 14 April 1989 (Canberra).

2.11 Appendix D contains a list of all witnesses who appeared at public hearings.

1987 Funding and Disclosure Report

2.12 As part of the Committee's Inquiry into the conduct of the 1987 federal election it has examined the AEC's Election Funding and Financial Disclosure Report for the 1987 federal

election.³ This report was referred to the Committee by the Minister for Administrative Services, the Hon. Stewart West, MP, on 3 November 1988. The Committee's comments and recommendations on the Election Funding and Disclosure Report are to be found in Chapter 7 of this report.

3. Australian Electoral Commission, Election Funding and Financial Disclosure: Report on the operation of Part XX of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1987, AGPS, Canberra, June 1987, (Parliamentary Paper No.228/1988).

CHAPTER 3

INTRODUCTION

3.1 Television and radio advertising has been used in election campaigns for many years. Of recent times television has become the most available and influential medium of mass communication.

3.2 By the 1980s the availability of television in numerous liberal democracies had passed a saturation level (50-60% of homes).¹ The increase in television ownership over the last two decades is illustrated by Table 3.1.

Table 3.1 Television receivers in liberal democracies

Country	Televisions per 1000 inhabitants		Televisions per 1000 inhabitants		Televisions per 1000 inhabitants	
	(1965)	(1980)	(1980)	(1986)	(1986)	(1986)
Australia	-	172	-	381	-	472
Austria	-	-	297	-	323	436
Belgium	162	-	298	-	301	-
Canada	-	270	-	441	-	546
Denmark	228	-	362	-	386	-
Finland	160	-	322	414	372	480
France	133	-	297	-	332	-
West Germany	193	-	337	-	379	-
Ireland	89	114	181	231	216	260
Israel	5.5	-	124	232	152	261
Italy	116	-	234	385	255	-
Japan	183 ^a	-	249	539	-	585
Netherlands	172	-	296	399	327	467
New Zealand	157	-	272	-	-	358
Norway	132	-	292	-	348	-
Sweden	270	-	381	-	393	-
Switzerland	106	-	316	364	358	411
United Kingdom	248	-	331	404	346	534
United States	-	362	-	684	-	813

Note: L = Number of licences issued or sets declared

R = Estimated number of receivers in use

Source: UNESCO Statistical Yearbook 1988, UNESCO, 1988, Paris, pp. 10.25 - 10.29.

1. Smith, A., 'Mass Communications', in Butler, D. et al., Democracy at the polls: a comparative study of competitive national elections, American Enterprise Institute for Public Policy Research, Washington D.C., 1981, pp. 173-195.

3.3 In 1967, thirty seven percent of Australian voters said they followed politics on television and in 1979 the proportion was 60%. It has been suggested that by the 1980 federal election the proportion of voters following elections on television was closer to 100%.²

3.4 As in other western democracies political parties now place great emphasis on television news reporting and television advertisements to place their messages before electors. While the use of radio for political advertising has increased, television remains the principal medium. The increasing importance of television in election campaigns has coincided with a dramatic increase in the cost of advertising on television. Radio costs have also increased though to a lesser degree.

3.5 Figure 3.1 shows an estimation of the increase in television advertising rates for the years 1982-86.

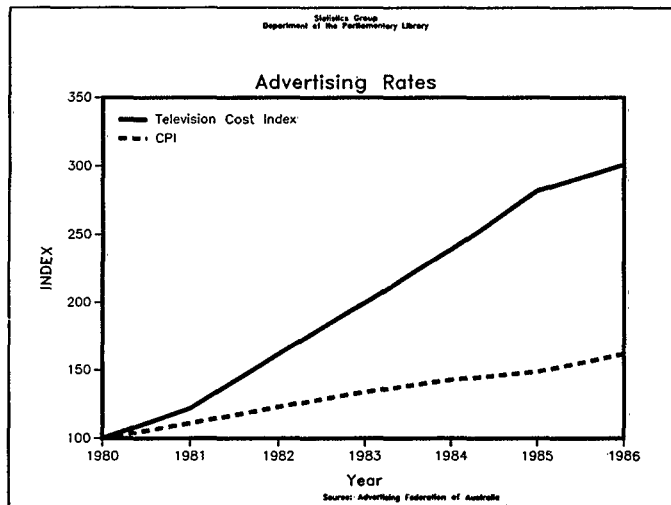
3.6 In the 1987 federal election campaign period political parties paid a combined total of \$7.17m for television advertisements and \$1.99m for radio advertisements. This represents an increase of approximately 100% from the 1983 election when \$3.57m was spent on television and \$0.75m was spent on radio.³

3.7 In order to meet these increases in advertising costs, major political parties have had to rely increasingly on donations from the corporate sector. Thus the democratic process has become increasingly dependent on who can raise the substantial funds needed to buy advertising on the electronic media - and in particular, television.

2. Goot, M., 'The media and the campaign', in Penniman, H.R (Ed), Australia at the polls: the national elections of 1980 and 1983, American Enterprise Institute for Public Policy Research, Washington, D.C., 1983, p. 172.

3. Australian Electoral Commission, Election funding and financial disclosure: Report on the operation of Part XX of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1987, June 1988, AGPS, Canberra, p. 52.

Figure 3.1 Index of television advertising rates compared to the Consumer Price Index: 1982-86.



Source: Australian Broadcasting Tribunal, Advertising time on television: a review of the advertising time standards, September 1987, AGPS, Canberra, p. 8.

3.8 In Australia advertising time is subject to controls set by the Australian Broadcasting Tribunal (ABT). However, during election periods commercial television stations have been allowed additional advertising time under the provisions found in television advertising conditions set by the ABT. Until 1987 the relevant Television Advertising Condition (TAC), TAC 12 stated:

Where, pursuant to s.116 of the Act, a licensee proposes to transmit election advertisements during an election period -

- (i) One additional minute of advertising time in each hour will be allowed for election advertisements provided the licensee can demonstrate that without recourse to this additional time, the relevant political parties would be denied the 'reasonable opportunities' provided for in s.116(3) of the Act.⁴

3.9 TAC 12 has been repealed during a trial period of deregulation from September 1987 (Refer para. 4.18)

3.10 The need for political parties in Australia to obtain corporate donations is balanced by the provision of some free time on the government owned Australian Broadcasting Corporation (ABC). Commercial channels also provide free time for the major parties' election policy speeches and in some areas free time is provided on a regular basis for local members to report to their electorates.

4. Australian Broadcasting Corporation, Advertising time on television: a review of the advertising time standards, September 1987, AGPS, Canberra, p. A4.

CHAPTER 4

CURRENT SITUATION IN AUSTRALIA

- . Australian Broadcasting Corporation
- . Commercial Television and Radio Stations
- . Current Deregulation Period

4.1 This chapter details the current circumstances under which political parties obtain limited free time on the Australian Broadcasting Corporation and pay for time on commercial television and radio stations.

Australian Broadcasting Corporation

4.2 While the ABC is not bound by legislation to provide free time for political matter, its policy on party political broadcasts is based on the belief that, during elections it is essential that the public be fully informed on issues of current debate and on the position and policies of parties contesting the election. The ABC's policy on the allocation of free time states:

The Corporation reserves to itself the right to grant or withhold broadcasts at its discretion to political parties, including those not represented in Parliament, on the basis of its estimate of the measure of public support for any party.¹

4.3 This reinforces s.116 of the Broadcasting Act 1942 (the Broadcasting Act) which provides that:

Subject only to this section, the Australian Broadcasting Corporation Board may determine to what extent and in what manner political or controversial matter will be broadcast or televised by the Corporation.

4.4 There is no mathematical formula for the allocation of free time by the ABC. Rather, it is at the discretion of the ABC's Election Coverage Committee which reports to the ABC Board.²

1. Evidence, p. 930.

2. Evidence, pp. 934, 938-9.

4.5 The responsibilities of the Election Coverage Committee are:

- . to ensure the equitable use of the total amount of free time on radio and television as allocated by the Board;
- . to assess the fairness and balance of news and current affairs programs in relation to an election campaign;
- . to receive and consider complaints from viewers and listeners;
- . to enable ABC editors, journalists and producers to carry out their roles in a professional and independent way with a minimum of distraction during a demanding period; and
- . to report on its own activities thereby contributing to the public accountability of the ABC and through such reporting, to assist in coverage of future federal elections.³

4.6 The ABC allocates free time for political advertising for both federal and State elections, the free time including basic studio production costs.

4.7 The allocations of free time are made to a party which contests at least 10% of the vacant seats for whichever House of Parliament the party nominates candidates. In addition, the party must command public support, the evidence of which is measured by the party meeting at least one of the following conditions:

- (i) the election of a member to the Parliament concerned at the immediately preceding election;
- (ii) the polling of 5% of the valid votes cast for either House at the immediately preceding election for the Parliament concerned in respect of a Federal election, or a State election in the States of New South Wales, Victoria, South Australia and Western Australia;

3. Australian Broadcasting Corporation, Report of the Election Coverage Committee - Federal election 1 December 1984, January 1985, p. 5.

(iii) the polling of 5% of the valid votes cast for the immediately preceding election for the Tasmanian Lower House in respect of Tasmanian State Elections;

(iv) the polling of 5% of the valid votes cast for the immediately preceding election for the single House in Queensland and the Northern Territory in respect of State or Territory Elections in Queensland and the Northern Territory.⁴

4.8 As well, the ABC exercises a discretion in allocating television and radio time on State, regional or metropolitan stations appropriate to independent Senators seeking re-election.

4.9 A political party qualifying for an allocation of time for election broadcasts in a federal election is entitled to an allocation only in States in which at least one candidate has been nominated by the party.

4.10 The ABC has determined that to ensure evenhandedness between the Government of the day and the official Opposition, both the Government and the Opposition are given equal time. In the case of a coalition in opposition, the combined coalition parties generally receive the same amount of time as the Government. It is then up to the coalition parties to divide the time between them as they see fit. However, the ABC has the discretion to vary this equal time should circumstances change. This happened in the 1983 Queensland Coalition split.⁵

4.11 Table 4.1 shows the ABC's allocation of free time for the 1987 federal election.

Table 4.1 Allocation of free time by the Australian Broadcasting Corporation for the 1987 federal election.

Political party	Free time allocation
Australian Labor Party	1 hr 30 mins (radio) 1 hr 30 mins (television)
Liberal and National Parties	1 hr 30 mins (radio) 1 hr 30 mins (television)
Australian Democrats	20 mins (radio) 20 mins (television)
Independent Senators ^(a) (in each Senator's State)	5 mins (radio) 5 mins (television)

Note: (a) The time allocated for Tasmanian independent, Senator Brian Harradine is discussed at paragraph 6.69.

Source: Australian Broadcasting Corporation, Report of the Election Coverage Committee - Federal election 1 December 1984, January 1985, p. 4.

Commercial Television and Radio Stations

4.12 In Australia commercial television and radio stations broadcast political advertisements but they do not provide free time for political advertisements. However, some stations broadcast election policy speeches or party produced policy documentaries at no charge. In addition, during non-election periods, some television stations in non-metropolitan areas give limited free time to some Members of Parliament. These allocations are made on either a weekly or monthly basis and they enable local Members of Parliament to report to their respective electorates on their activities and the activities of the Parliament.

4. Australian Broadcasting Corporation, Policy Statement - Allocation of program time to political parties during election campaigns, p. 1.

5. Evidence, p. 932.

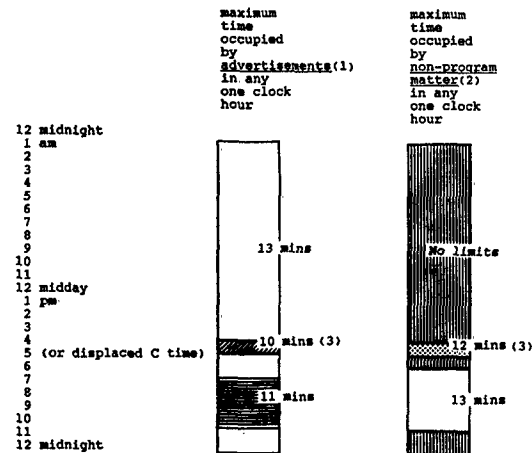
4.13 Paid advertising of any sort is generally limited to 10 minutes per hour in children's time (4.00pm - 5.00pm, Monday to Friday), 11 minutes per hour in prime time (7.00pm - 10.00pm) and 13 minutes per hour in non-prime time. In addition to these limitations, television stations face limits on the time allowed for station promotions (including trailers promoting coming programs) or community service announcements. The limits are 2 minutes per hour in prime time with non program matter not to exceed 13 minutes between 6.00pm - 7.00pm. Figure 4.1 illustrates the application of television advertising rules before the deregulation period.

Current Deregulation Period

4.14 In 1987 the Australian Broadcasting Tribunal concluded a review into all of the rules governing the placement of television advertisements. It was decided to remove the rules concerning placement and time permitted for advertising on commercial television for a trial period of two years, commencing September 1987.⁶ Advertisers, agencies and licensees claimed that a relaxation of the standards relating to advertising time on television would allow greater flexibility in the structure of advertising for particular programs without an increase in program corruption.

4.15 The ABT considered that the most obvious changes in advertising structure would be seen in the placement of breaks rather than in the length of or number of items seen in each interruption. However, the time for advertisements could be extended during an election period.⁷

Figure 4.1 Application of Television Advertising Conditions before the two year trial period.



- (1) Refers to paid advertisements only: TAC 1, Appendix A
- (2) Refers to paid advertisements and program promotions only. It excludes community service announcements, station identifications, line-ups, etc: TAC 1, Appendix A
- (3) "No limits" means unlimited provided the amount of time occupied by the advertising component of non-program material does not exceed the limits specified in TAC 11: Appendix A
- (4) 4-5 pm requirements relating to 'C' time only apply Monday to Friday
- (5) Between 9 am and 4 pm each day a minimum of 30 minutes of pre-school programs must be broadcast without interruption by non-program matter
- (6) Community service announcements are over and above non-program matter limits

Source: Australian Broadcasting Tribunal, Advertising Time on Television, AGPS, Canberra, 1987, p. 48.

6. The rules set by the Australian Broadcasting Tribunal are in Appendix E.

7. Australian Broadcasting Tribunal, Advertising Time on Television, AGPS, Canberra, 1987, p. 32.

4.16 At a public hearing held on 16 March 1989, a FACTS representative advised the Committee that:

... various members of the industry and particularly the networks, have gone on record as saying that [during the trial deregulation period] they have no intention of exceeding, and indeed some might be a trifle under, the old Tribunal standards.⁸

4.17 Television Advertising Condition (TAC) 12 was one of the rules repealed for the trial deregulation period. It essentially allowed for an extra minute per hour of advertising for electoral advertisements where full schedules would not otherwise permit reasonable opportunities to all political parties to present their messages before the polling day.

4.18 Despite the repeal of TAC 12, and the consequent lack of a legal requirement for licensees to approach the ABT to obtain an extra minute of advertising time the FACTS representative, Mr Morgan, advised the Committee at a public hearing in Canberra on 16 March 1989 that:

As a matter of courtesy, commercial broadcasters would at the moment advise the Tribunal that, should an election arise in regard to which they felt they were unable to place the requested volume of political advertising, perhaps perceiving that the tolerance of the audience might be tested a bit, for that reason and that reason alone - there would be no legal reason - the licensee would go to the Tribunal. The licensees are concerned to demonstrate in this two-year deregulated period that they have acted responsibly and reasonably and the track record shows that they have.⁹

4.19 The ABT has stated that the trial will demonstrate whether broadcasters and advertisers are sufficiently responsive to viewer reactions for external controls on advertising time to be permanently relaxed. Eight criteria have been established against which to assess the success or failure of the trial period. The trial will be regarded as a failure if any of the criteria manifests itself over the trial period. The criteria may be found at Appendix H.

4.20 The ABT will conduct an inquiry at the end of the trial period to consider the re-introduction of advertising time standards. The standards will be re-introduced if the two year trial of self-regulation is felt by the ABT to have been a failure.

4.21 There are no limits on scheduling community service announcements, with licensees universally providing free-of-charge schedules for these announcements, although access to prime time is limited. A decrease in the number of community service announcements broadcast is one of the eight criteria which will determine if the two year deregulation period is to be considered a failure.

8. Evidence, p. 825.

9. Evidence, p. 826.

CHAPTER 5

INTERNATIONAL COMPARISONS

- . United Kingdom
- . Israel
- . Canada
- . France
- . New Zealand
- . Federal Republic of Germany
- . United States of America
- . General Comments

5.1 The provision of free and paid political advertising varies from country to country. Table 5.1 shows the use of paid and free political broadcasts in several liberal democracies.

Table 5.1 Paid and free political broadcasts in liberal democracies

Country	Paid political advertising is permitted	Free time is given to political parties(1)
Australia	yes	yes
Austria	no	yes
Belgium	no	yes
Canada	yes	yes
Denmark	no	yes
Finland	no	yes
France	no	yes
West Germany	yes	yes
Ireland	no	yes
Israel	no	yes
Italy	no	yes
Japan	no	yes
Netherlands	no	yes
New Zealand	yes	yes
Norway	no	no
Sweden	no	yes
Switzerland	no	yes
United Kingdom	no	yes
United States	yes	no

Sources: (a) Harrop M and Miller WL, *Elections and Voters: a comparative introduction*, Macmillan Education, London, 1987, p. 223.

(b) Commonwealth Parliamentary Library

Note: (1) In Australia free time is provided only by the national broadcaster but this may also apply in some other countries.

United Kingdom

5.2 The broadcast media in the United Kingdom (Scotland, Wales, England and Northern Ireland) is controlled extensively in relation to political advertising.

5.3 In the United Kingdom there are two television networks, the British Broadcasting Corporation (BBC) and the Independent Broadcasting Authority (IBA).¹ The BBC does not allow any paid advertising while the publicly owned IBA does allow paid advertising under the Independent Broadcasting Authority Act 1973. However, paid political advertising on the IBA is effectively banned by virtue of s.9 of the Act which states:

No advertisement may be inserted by or on behalf of anybody, the objects whereof are wholly or mainly of a political nature and no advertisement may be directed toward a political end ... (nor) may (it) show partiality as regards matters of political or industrial controversy or relating to public policy.

5.4 Television election broadcasts are relayed simultaneously by both channels (BBC and IBA) and any party nominating 50 or more candidates may qualify for free time. Parties are permitted to use their allocated time as they wish on both television and radio. The allocations tend to vary from 5 to 15 minutes and are largely based on the number of seats each party is contesting and on the party's strength in the previous Parliament.

5.5 Table 5.2 shows allocations of free time for the 1983 election.

1. Note the IBA was previously known as the ITA when its purview covered commercial television only.

Table 5.2 Allocations of free time for the United Kingdom 1983 general election

(a) Television

Party	Number of Broadcasts	Total Time Allocation (minutes)
Conservatives	5	50
Labor	5	50
Liberals/SD	4	40
Scottish National	2	20
Welsh National	1	10
Ecology Party		
(now Green Party)	1	5
National Front	1	5
British National Party	1	5

(b) Radio

Party	Number of Broadcasts	Total Time Allocation (minutes)
Conservatives	7	55
Labor	7	55
Liberals/SD	6	45
Scottish National	2	20
Welsh National	1	10
Ecology Party		
(now Green Party)	1	5
National Front	1	5
British National Party	1	5

Source: Central Office of Information UK, Parliamentary Elections in Britain, Booklet No.175/87, p. 12.

5.6 In the United Kingdom a committee known as the Party Political Broadcast Committee (PPBC) determines general guidelines for political broadcasts during the election campaign. The PPBC is composed of members from the Government and the Opposition and representatives from the BBC and IBA.

5.7 Generally, the PPBC agreements on political broadcasts during an election campaign contain embargoes on editorial comment on matters of political or industrial concern. They also impose requirements on the BBC and the IBA to ensure balance in the expression of political views and deal with the allocation of free political broadcast time.

Israel

5.8 Section 15a of Israel's Election Law (Propaganda) Act 1959 prohibits the state owned television organisation, the sole television broadcaster, from playing any role in the elections apart from providing free time for party election propaganda. Free time is allocated as follows:

- . ten minutes for each party list, plus
- . six minutes for each member the party had in the outgoing Knesset (Parliament).

5.9 Although air time is free, production costs are very high (3,000 shekels per minute in 1980) and as a result, the smaller parties rely more on press advertising and political rallies.

Canada

5.10 Political advertising in Canada is somewhat complex because of different electoral laws which exist for federal, provincial and territorial elections. Radio and television stations broadcast paid political advertisements, with the State-owned Canada Broadcasting Corporation being no different in that regard to the commercial networks. Although there are free

political broadcasts all political parties compete for expensive advertising spots. However, for 28 days up to and including polling day the Canada Elections Act (1970) allows political editorials, comments and commentaries to be made but at the same time imposes a blackout on all partisan political advertising by parties or politicians. The federal government in Ottawa regulates the broadcast media for State and Federal elections.

5.11 The Broadcasting Act of Canada (RSC 1970) provides that the public has the right to receive balanced programming in relation to party political broadcasts. This gives lesser parties some rights in relation to the broadcast of political editorial comment and political documentaries. The latter is also supported by the Canadian Radio-television and Telecommunications Commission, which was created pursuant to Section 16(1) (b) (iii) of the Broadcasting Act. The Act gives the Commission the power to make the following regulations:

Radio (AM) Regulations 1978

Radio (FM) Regulations 1978

Television Broadcasting Regulations 1978

5.12 These regulations require the broadcast media to ensure free speech, fairness, balanced opinions and suitable presentation. This is supervised by the Canadian Radio-television and Telecommunications Commission's Board of Governors, who, during a 50 day period prior to polling day, ensure that all political entities are given fair treatment and that there is balanced programming in that time.

France

5.13 In France, the printed media is free of statutory restrictions and dominated by publishers and editors who have clear political alliances. As a result there is no shortage of political advertisements in the press. In contrast, the broadcast media is tightly controlled by the French government.

5.14 France has three television networks which operate under the control of a watch-dog agency comprising a controlling board of directors known as the Organisation Radiodiffusion Television Francaise (ORTF).

5.15 The ORTF board of directors is answerable to the Ministry of Information but operates with a great deal of autonomy. The State-owned radio networks are controlled by Radio France, an organisation very similar to the ORTF.

5.16 Political parties receive free time for advertising under Article L 167-1 of the French Electoral Code (enacted on 22 December 1966) and the Regulations of the ORTF and Radio France (enacted on 30 June 1972), which provide free partisan political broadcasts. Time is also set aside on the television and radio networks for political debates and discussions.

5.17 A series of ballots are held for the French presidential elections. After a first ballot another is held if during the first poll no candidate obtains more than 50% of the popular vote. Mandatory free broadcasting time regulations cover the two weeks before the first ballot and the week between the first and second ballot. Presidential candidates are allowed two hours each on each of the three television networks and three hours each on the three national radio networks in the fortnight preceding the first ballot. They are allowed to broadcast these at any time and the networks are required to make prime viewing times available to the candidates. In the week between the first and second ballot the candidates are entitled to a further total of two hours each on both the TV and radio networks. The content, timing and duration of these free advertisements are all controlled by

the National Control Commission in consultation with ORTF and Radio France.

5.18 Elections for France's National Assembly are also in two ballots. In the fortnight preceding the first ballot the majority government party or parties receive 3 hours free time as does the opposition alignment. Those not represented in the outgoing Assembly are entitled to two 7-minute broadcasts each in the two weeks preceding the first ballot, provided they are running candidates in at least 75 districts. In between the two ballots each of the major parties are entitled to another 90 minutes each on the television and radio networks. A further five minutes are given to the non-represented or smaller parties who are not aligned with one of the majority or opposition groups.

5.19 Generally, these free political broadcasts are compacted into half-hour prime-time segments, where representatives from each party speak for about 3-10 minutes. Since the parties are not allowed to make use of filmed material, the programs are little more than radio broadcasts taped in a TV studio. In the past these used to be simply speeches from the leaders, but now the format tends to favour discussions between the leaders, leading political personalities and friendly journalists. These are shown at around midday and usually around 8.30pm, and are often simultaneously broadcast on radio.

5.20 There are no provisions on either television or radio to allow paid political advertising.

New Zealand

5.21 New Zealand has followed the example of the United Kingdom in adopting restrictions on its broadcast media.

5.22 In New Zealand, both the Broadcasting Corporation of New Zealand (BCNZ) and the Independent Broadcasting Association (IBA) operate television and radio stations across the country. Their activities fall under the statutory control of the Broadcasting Act 1976.

5.23 Section 24 of the New Zealand Broadcasting Act imposes a requirement that in matters of public importance all reasonable efforts are made to broadcast all relevant points of view, either in the same program or in another program within the period of current interest.

5.24 Section 22 of the same Act provides for free time for political advertising. However, the rules in relation to allocation of this free time are not fixed. The current guidelines used by the BCNZ in allocating free time for political advertising are as follows:

- . voting support in the previous general election and any by-elections;
- . representation in Parliament;
- . a party must be nation-wide and have a national organisation;
- . a party must have expressed philosophies or policies on a range of issues consistently over a period of time;
- . a party must field sufficient candidates; and
- . a party must be able to demonstrate other expressions of public support such as public opinion polls, membership, etc.

5.25 In the 1984 election this resulted in the following allocation of free time:

National Party	:	115 minutes
Labor Party	:	115 minutes
Social Credit	:	80 minutes
New Zealand Party	:	50 minutes

5.26 The total time of six hours was divided up equally between radio and television.

5.27 Apart from the provision for free political advertising, the Broadcasting Act was amended in 1983 to allow the passage of Regulations that provide for paid political advertising on radio and television. These include the creation of a Broadcasting Rules Committee which acts as a watch-dog agency, and exercises controls that apply to both the public and private radio. Paid political advertising is allowed on television and radio, subject to regulations on content.

Federal Republic of Germany

5.28 There are two major public television networks, Arbeitsgemeinschaft der Rundfunkanstalten Deutschlands (ARD) and Zweites Deutsches Fernsehen (ZDF). In addition there is one private regional network, comprising the Bayerische Rundfunk (Bavaria), Suedwestfunk (Frankfurt/Darmstadt/Karlsruhe Region), Hessischer Rundfunk (Mid-West Region) and Nord-Deutsches Fernsehen (Rhineland and Northern Germany).

5.29 Paid political advertising without restrictions is permitted on all three networks. However, each of the political parties in Germany has adopted self-imposed ceilings on financing of election campaigns due to the cost to their party members. Germany has an extraordinarily high rate of party membership and the parties face considerable pressure from their members to keep costs under control.

5.30 While the private regional networks do not broadcast free political advertisements, there is ample provision for free time on the two public networks. As in the United Kingdom, the allocation of free time in Germany is a matter of agreements under the supervision of the Media Council which consists of representatives of all the major political parties.

5.31 This arrangement allows the major parties to secure the more favourable time slots in which to broadcast their free advertisements.

5.32 There is no discrimination between parties in the allocation of free time and each party is entitled to equal time, provided it is an approved registered party. Even though the duration and frequency of these advertisements is then agreed on by the Media Council, each party is entitled to the same amount of time and frequency of advertisements, regardless of size. So while the biggest parties are able to use their power advantage in the allocation of broadcast spots, they do not appear to enjoy any great advantage over smaller parties.

United States of America

5.33 In the United States there is no free political advertising. However, political candidates are able to purchase a block of time and can therefore buy time for whole programs at a cost representing the number of commercial advertisements that would be run in that period of the program. Candidates are then able to produce a program of their choice.

5.34 Charges applying to television and radio broadcasting of political advertisements are determined by s.315 (b) and (c) of the US Code 47 as amended by the Federal Election Campaign Act Amendments of 1974 which provide that:

The charges made for the use of any broadcasting station by any person who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election to such

office shall not exceed -

1. during the forty-five days preceding the date of a primary or primary runoff election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the same class and amount of time for the same period; and
2. at any other time, the charges made for comparable use of such stations by other users thereof.

5.35 Political candidates are therefore charged for their advertisements at the lowest advertised rate for the best commercial clients. This significantly reduces the cost of political advertising and the potential revenue to television and radio proprietors during election periods.

General Comments

5.36 The Committee has found that some form of free political broadcasting on networks exists in many western democracies.

5.37 The material provided during the Inquiry demonstrates that at least in Western democracies there is widespread regulation of political broadcasting.

5.38 As Table 5.1 shows, out of the 19 countries for which data was obtained, only two countries (Norway and the United States) do not provide some form of free party political broadcasts and of the same 19 countries only five countries (Australia, Canada, New Zealand, United States and West Germany) allow paid political broadcasts.

5.39 The Committee notes that Australia is one of the few western democracies that permits paid political advertising and it is the view of the Committee that Australia's system of political broadcasting is probably the most laissez faire.

CHAPTER 6

SUBMISSIONS AND EVIDENCE

- . Submissions
- . Australian Labor Party
- . The Liberal Party of Australia
- . National Party of Australia
- . Australian Democrats
- . The Nuclear Disarmament Party
- . John Singleton Advertising
- . Advertising Federation of Australia Limited
- . Federation of Australian Commercial Television Stations
- . Federation of Australian Radio Broadcasters
- . Australian Television Network Limited
- . Australian Broadcasting Corporation

Submissions

6.1 A list of submissions received by the Committee may be found at Appendix C. The major submissions are summarised below.

Australian Labor Party

6.2 The ALP submission proposed:

- that political advertising on radio and television should be regulated as to the aggregate amount of time and to the allocation of that time among political parties (the "democratic principle"); and
- that there should be a minimum standard set for the duration of a political advertisement on television (the "quality principle").

The Democratic Principle

6.3 The democratic principle would provide that:

- a limit be set to the aggregate amount of advertising time which can be made available by each broadcaster for use by, and on behalf of, political parties;
- a formula be established for allocating advertising time, recognising the rights of parties represented in the parliament and of minority parties with a significant level of community support;
- parties be allowed to exercise their allocations throughout the term of the parliament;
- a statutory authority be established with the powers and responsibility to make final determinations about the implementation of the allocations made in accordance with the formula, about incidental matters, and about special cases;

- there be a guarantee that the broadcasting industry and political parties are consulted in making these decisions; and

- paid political advertising for or on behalf of parties or candidates outside the above scheme be prohibited.

The Quality Principle

6.4 Although short (30 second television) advertisements are useful for promoting images and conveying impressions they are a poor means of transmitting information or reasoned argument. On the other hand, advertisements of longer duration are likely to be better vehicles for presenting issue-related cases and policy choices; however, they might make programming more difficult and could risk boring viewers. Therefore, a suitable balance needs to be struck between these considerations.

6.5 The ALP submission therefore recommended that advertising time be available either in 2 minute modules only, or with a 2 minute minimum duration. This issue is further discussed in paragraph 11.2.

6.6 The ALP's view is that the allocation formula should take into account:

- the party composition of returning MPs/Senators and/or
- the electoral support of registered parties at the previous election.

6.7 Unless a party gained at least 4% of the total primary vote at the previous general election, it should attract no broadcasting allocation entitlement.

6.8 Time should be allocated at no cost to the parties, while "paid" political advertising should be prohibited. The broadcasters should bear the cost of the free political advertising. Under this scheme political advertising would constitute a form of "community service announcement" whose broadcast was a condition of the broadcaster's licence.

6.9 At a public hearing in Canberra on 11 November 1988 the ALP National Secretary, Mr Hogg advised the Committee that although the public purse assists in financing campaigns, a large percentage of that money goes back to the very commercial institutions which are in fact licensed to use the airwaves. Mr Hogg explained that:

In summary, the (ALP) submission essentially is that we come to a new arrangement with the licensing for radio and television which would allow free time and in doing that we look at how we can improve the quality of political advertising.¹

6.10 All paid political advertising if not prohibited should be severely restricted.

The Liberal Party of Australia

6.11 The Liberal Party rejected the ALP concept of a minimum time of two minutes for political advertisements, claiming that not only would such advertisements be more expensive to produce but there is no known evidence that the two minute advertisement would be more constructive or less superficial. The Liberal Party believes that the current situation allows groups to tailor their advertising message in the most effective and flexible manner. Insistence on two-minute advertisements would produce no qualitative change but rather lead to further impediments, especially for the smaller groups. Although the present situation with political advertising may be imperfect it allows for a range of views to be promoted if and when the parties, groups,

candidates or other individuals opt to pay for the promotion of their views.

6.12 The Liberal Party submission expressed the view that the broadcasting and televising of political advertisements should be on the basis of an unfettered commercial arrangement between the party and the network concerned, claiming:

It is the right of any organisation in a democracy to promote its ideas without arbitrarily imposed restrictions.²

6.13 Neither commercial broadcasting stations nor the taxpayer should carry the cost of political advertising. Nor should political advertising constitute a form of "community service announcement."

6.14 The Liberal Party submission expressed concern that:

... having thrust the burden of the cost of electronic advertising onto the broadcaster or the taxpayer, a party might simply direct its own funds at other forms of advertising.³

6.15 The Liberal Party rejected the ALP's proposal that tax deductibility of political donations be an addition, rather than an alternative to public funding. The Liberal Party believes that the public funding provisions should be repealed and replaced by a system which allows tax deductibility of donations to all parties, with a suggested ceiling on deductible donations.

6.16 Such a system would encourage greater equity between the major parties, promote voluntarism and democratic participation, and result in a substantial reduction in government outlays.

1. Evidence, p. 535.

2. Liberal Party submission, 1 May 1989, p. 2.
3. Evidence, p. S1613.

6.17 Free time, as presently provided by the ABC should continue. The Liberal Party believes that broadcasters will continue to regard the major policy speeches as matters of significant national importance, and will continue to provide this free time. Therefore, legislation requiring commercial stations to broadcast the policy speeches free of charge is unnecessary.

6.18 The Liberal Party believes that there should not be any limit on the amount of time which any individual party, or the parties as a whole, may purchase for the purposes of campaign advertising.

National Party of Australia

6.19 The National Party also rejected the ALP concept of a minimum advertising time of two minutes, claiming that this would create a situation where very few people either listen to or watch a party political broadcast during the election period. Greater flexibility in this regard would enable a greater audience acceptability or recognition of such broadcasts and telecasts. (This issue is further discussed in Chapter 11).

6.20 The National Party believes that as any party's commercial advertising activity will always be dictated by its financial capacity it should be entirely a matter for political parties in conjunction with commercial organisations, to decide the amount of advertising they will place on commercial radio or television.

6.21 Any suggestion that upper financial limits be placed on political parties for the amount of money they can allocate to radio, television or newspaper advertising for election purposes is strongly opposed.

6.22 The National Party believes that allocation of free time by the ABC should be more flexible. Of free time offered by the ABC and SBS during the 1987 Federal Election not less than 25% of the total time allocated to each Party for radio and television was required to be devoted to the major policy speech.

6.23 As television and radio are able to broadcast news and commentary on election issues up to and including election day, the National Party believes that the existing electronic blackout from midnight on the Wednesday prior to the election should be abolished.

Australian Democrats

6.24 The Australian Democrats believe that there should be a minimum period of 3 minutes of political advertising at any given time to be used by a political party or candidate. Anything less than a 3 minute block of advertising is not conducive to the dissemination of substantial policy information.

6.25 Policy speeches should be co-ordinated across all television and radio stations simultaneously so that the message of the parties seeking government is given wide and equal coverage.

6.26 The Australian Democrats believe that politics is becoming increasingly dominated by the mass media. However, financial resources alone should not determine which political party or which party's policies attracts the most media coverage. Political advertising should, at least during Federal election campaigns, be done on an equitable and informative basis.

6.27 Television and radio stations are licensed by the Federal Government. Therefore as public facilities, they should provide a certain amount of time for the purpose of political advertising free of charge. This should be made a condition of licences.

6.28 The Australian Democrats believe that ideally this should be the only radio and television advertising permitted for political parties and candidates. However, since this approach is unlikely to be adopted, they recommend that claims for public funding for radio and television advertising and production be limited to, at most, 10% of the monies available for public funding.

6.29 Similar restrictions on the public funding of political advertising in the written media should also apply.

6.30 Free time should be distributed on a pro-rata basis of electoral support for political parties and candidates. All registered political parties should be entitled to advertising resources on a pro rata basis. Therefore, if a party achieved 10% of the popular vote at the preceding federal election, it should be entitled to 10% of the total political advertising available on radio and television.

6.31 Allocation should be based on the percentage of the vote achieved, as it more accurately reflects the wishes of the people, rather than the number of seats won. In keeping with current law, the lower level cut-off point should be 4% of the popular vote.

6.32 The Australian Democrats realise that this mechanism disadvantages political parties which do not receive 4% of the vote and emerging parties which may not have contested previous federal elections. Nevertheless, only bona fide political parties, with a record of electoral support, should be entitled to advertising resources. The Democrats see no way of overcoming this slight inequality toward emerging parties.

6.33 All political advertising should be regulated so that the obligations that apply to companies with regard to truth and accuracy in advertising under the Trade Practices Act would also apply to political advertising under the Electoral Act.

The Nuclear Disarmament Party

6.34 The NDP claimed that prior to an election the Electoral Commission should be given free time on public television and radio, and should apportion this time equally between the major parties, minor parties and other Senate groups at reasonable viewing and listening times.

6.35 At present, pursuant to section 116 of the Broadcasting Act, the ABC Board determines to what extent and in what manner political matter will be broadcast by the ABC.

6.36 This could be improved if each Senate group, including the major parties but excluding non-sitting independents (who may be numerous), should be given equal air time. In addition, any sitting Lower House candidates who are independents, or form a group which did not receive air time by reference to the Senate election, should receive some air time. Currently no House of Representatives member falls into this category.

6.37 Although the NDP recognises that this is not a completely fair apportionment of time, it is a much more egalitarian system than that which currently exists. Free time on television and radio would no longer be a means of further entrenching the major parties. The overall result would be no increase in free time, but simply a redistribution of time away from the major parties. The Electoral Commission should strongly recommend this criteria to the ABC Board or alternatively, by legislation, the ABC should be directed to implement it. A third alternative is for time to be allocated to the Electoral Commission for apportionment.

John Singleton Advertising

6.38 John Singleton Advertising (JSA), the agency for the Australian Labor Party at the national level, supported the views expressed by the ALP. However, the agency stressed that any changes if introduced would benefit not only the ALP but all parties equally.

6.39 JSA claimed that while large commercial advertisers expect and receive large volume discounts, there is no rate recognition given for the volume of advertising placed by political parties (This is discussed further in Chapter 11, para 11.34).

6.40 It was claimed that the current method of authorisation at the end of advertisements cuts into the time available to get the message across and this is being achieved at a cost. The official logo of the party should be sufficient authorisation and should be on the screen for a minimum of 1 second. This would allow an extra 4 seconds in which to extend the message. There would be no need to change the current regulations regarding the keeping of records of who has authorised the advertisement. However, JSA believes that it is unnecessary to telecast or broadcast these details. (This is further discussed in Chapter 11, para 11.37).

6.41 JSA claimed that policy launches should be classed as an event of national importance. Live coverage and an extended evening summary should be made one of the conditions of having a licence. (This is further discussed in Chapter 11, para 11.6).

6.42 The ABC's guidelines relating to free time should be continued. However, commercial television and radio should offer free coverage in recognition of the considerable revenue received as a result of an election being held.

6.43 Should the ALP's submission on:

- . putting a limit on campaign expenditure, or
- . setting an agreed formula for 'free' time

be accepted by the committee, then JSA would recommend that the electronic blackout be lifted.

Advertising Federation of Australia Limited

6.44 The Advertising Federation of Australia represents approximately 225 advertising agencies. AFA agencies are responsible for the production and placement of a substantial part of the advertising carried by television, radio and newspapers. They have a clear interest in the viability and performance of all commercial broadcasters.

6.45 AFA is strongly opposed on both practical and philosophical grounds to any proposal for compulsory provision of free time for political broadcasts. AFA claimed that the value of any commercial broadcaster to advertisers lies entirely in its ability to attract and retain a required audience.

6.46 Forcing broadcasters to make airtime available for political purposes - or by increasing the amount of time they are already willing to make available - would result in stations' programming capacity being damaged and audience appeal and their value to advertisers being reduced. Such an imposition would also reduce the amount of airtime available to commercial advertisers. Substantial amounts of time could be set aside for 'free' political broadcasts - only at the expense of standard commercial advertising. Individual media proprietors should not be deprived of the right to decide whether or not they will accept to publish political messages. AFA claimed that it is a concept foreign to the Australian way of life.

6.47 The AFA submission strongly opposed the compulsory provision of free broadcast time for political broadcasts on both practical and philosophical grounds. AFA claimed that in practical terms, the value of any commercial radio station to advertisers lies entirely in its ability to attract and retain a required audience. If stations are forced to make airtime available for political advertisements, then this would result in damage to the stations' programming capacity and reduction in audience appeal and value to advertisers.

6.48 At a public hearing in Canberra on 14 April 1989, the AFA representative claimed that:

... the effect of the proposal to prohibit political paid-for advertising on television and radio, and to compel broadcasters to provide air time free to political parties, would upset the conventional method of remuneration for advertising agencies, which depends, very largely on the commissions paid by the media on the advertisements the agencies place - and that applies to political advertising as much to any other.⁴

Federation of Australian Commercial Television Stations

6.49 The Federation of Australian Commercial Television Stations (FACTS) claimed that it is totally opposed to any mandatory requirement that licensees of electronic media should be required to provide free advertising time to political parties. Commercial television stations alone contribute to Government something in the order of 60% of gross operating profit, that is profit before tax and before licence fees.

6.50 At a public hearing in Canberra on 16 March 1989 FACTS agreed that television stations have access to airwaves which are public property but denied that this access places social obligations on them to provide free broadcasting time to political parties.

4. Evidence, p. 1295.

6.51 The FACTS representative, Mr Morgan rejected the ALP's philosophical argument that use of a public resource demands something in return:

We have given an enormous amount in return to Government over the years. We have supported health campaigns and a whole range of government objectives and issues. We give an enormous amount of our time to community service and matters of community and public concern. We participate very actively within the communities we serve. Those are costs and obligations which we believe go above and beyond the requirements which are laid down in the Act.⁵

Mr Morgan stressed that s.116 of the Broadcasting Act does not require broadcasters to provide political information free of charge. Furthermore, free advertising is unnecessary as the public are informed through news services, commentaries and interviews in current affairs programs.

6.52 Licensees away from the major metropolitan areas often allocate free time either on a weekly or monthly basis to local members of Parliament, wherein those members are able to report on their activities and the activities of Government, to their electorate. This is and always has been regarded as a desirable and responsible service and forms part of the license requirement to provide an adequate and comprehensive service. However, it is not a practical proposition for stations in metropolitan areas to undertake the same type of programming, given the large number of parliamentary representatives in any given metropolitan area. These forms of electoral report are not scheduled during election periods as s.116(3) of the Broadcasting Act requires an equal opportunity be given to each political party.

5. Evidence, p. 833.

6.53 FACTS maintained that should free advertising time be granted it would have a severely adverse effect on the licensees' ability to cover operating costs. The networks are already heavily committed to funding Australian program content. They are also required, as a condition of their licences, to provide school children's programs and pre-school children's programs. These costs are in addition to substantial licence fees. The Australian Television Network supported this claim at a public hearing in Canberra on 14 April 1989. ATN maintained that the privilege of operating a licence

... is balanced with obligation, but paid for with licence fees.⁶

6.54 FACTS advised the Committee that the 1986-87 licence fee figure for the commercial television industry was \$60.8m, 6.1% of a gross revenue of \$995.2m.⁷ At a public hearing in Canberra on 16 March 1989 FACTS argued that the broadcasting industry should not be singled out to be deprived of advertising revenue while advertising agencies and campaign staff continue to be paid for their work.⁸

6.55 FACTS' submission claimed that should there be free advertising time for political candidates on the electronic media, then money would be directed into the print media, at the expense of the electronic media.

Federation of Australian Radio Broadcasters

6.56 The Federation of Australian Radio Broadcaster's (FARB's) submission claimed that there is no evidence to support the ALP's "quality principle" that more time for advertisements will improve the quality of political advertisements. Nor is there evidence that sensible, honest and thoughtful messages cannot be conveyed in a 30-second or 60-second advertisement.

6. Evidence, p. 1151.

7. Evidence, p. 1125.

8. Evidence, p. 833.

6.57 A mandatory minimum period would pose a threat to the principle of Freedom of Expression. Just as political parties should be free to use the media of their choice, so they should be free to put their cases in any way they choose, subject to the law.

6.58 FARB stressed that it is not concerned with the issue of whether time for political messages should be provided at no cost to political parties. If it is the will of the community that political parties should enjoy time free of cost, then FARB believes that the cost should be borne by the community at large.

6.59 FARB rejected the ALP notion that because broadcasters are licensed to use the airwaves which are public property, they should have further burdens placed upon them. FARB agreed with FACTS that the electronic media should not be singled out to carry the cost burden of political advertising, while other media, advertising agencies and production organisations, which create or carry political advertising remain unaffected. The simplistic rationale that broadcasters are privileged to be able to use a public resource ignores the reality that they are already paying heavily for that "privilege".

6.60 At a public hearing in Canberra on 14 April 1989, FARB claimed that free time on radio is virtually unworkable due to:

... specialisation by radio stations in competitive markets.⁹

Some political advertisements will be inappropriate to some stations' principal audiences eg. "greypower" issues on young people's stations. It was claimed that political advertisements have a greater "turn-off factor" on some stations - especially music stations. FARB suggested:

... that the funds for political advertising should come out of Consolidated Revenue.¹⁰

9. Evidence, p. 1088.

10. Evidence, p. 1093.

FARB found objectionable the notion that because broadcasters have the privilege of using a national resource they have an obligation to do things for the public good and:

... that you can heap more responsibilities and obligations on top of those they already have.¹¹

6.61 It was stressed that the duties and responsibilities of broadcasters are spelt out in the Broadcasting Act and in the standards and conditions that are laid down by the Broadcasting Tribunal, and that the stations meet those obligations. FARB expressed its concern that the compulsory provision of free time for election campaigns would be the first step leading to the compulsory broadcasting of a wide range of government announcements.

Australian Television Network Limited

6.62 The Australian Television Network (ATN) submission agreed with FARB in relation to the ALP's "quality principle" claiming that no evidence exists to support the view that a creditable or thoughtful message cannot be delivered in under 2 minutes.

6.63 ATN claimed that volume discounts do apply to political advertising and political parties, and their agencies stand in the same shoes as any other substantial casual client when it comes to negotiating rates for air-time. In particular, the Network's published scale of quantity discounts is made available to political parties in the same way as it is for any other substantial casual client. The same rates and quantity discounts are applied to all political advertisers. (This issue is discussed further in Chapter 11 commencing para 11.34).

11. Evidence, p. 1093.

6.64 ATN rejected the proposal that the policy launches of the key political parties be telecast in prime-time, in the same time slot, preferably at 8.30pm. (This issue is discussed further in Chapter 11 commencing para 11.6).

6.65 Support was expressed for the electronic blackout as it currently stands.

6.66 ATN agreed with FACTS and FARB that it is an inequity to discriminate against one advertising medium with regard to political advertising by requesting that free time be made available.

Australian Broadcasting Corporation

6.67 The ABC expressed its preference not to comment on those matters relating primarily to commercial stations. The ABC said there should be no move to alter or restrict in any way the rights of the Corporation's Board under section 116 of the Broadcasting Act to determine for itself the allocation of free time on radio and television for political parties at elections.

6.68 The ABC would also oppose any suggestion that the Electoral Commission (or any other outside body) should determine the total amount or allocation of free time. The two minute minimum free time advertisements should also be maintained. (The allocation of free time by the ABC has previously been discussed in Chapter 4).

6.69 At the public hearing in Canberra on 16 March 1989 Senator Harradine referred to the ABC's allocation of free time for the 1987 elections which provided him with 5 minutes on ABC television and 5 minutes on ABC radio, whereas the Australian Democrats received 20 minutes on ABC television and radio. He contrasted this with the public support he received at the 1983 election when he last stood as a candidate and had received 17.8% of the formal first preference Senate vote, whereas the

Australian Democrats had received 6.7% of that vote. Senator Harradine questioned whether the ABC in exercising its discretion had made a fair assessment based on the measure of public support factor. The ABC agreed that it is difficult when dealing with the allocation of free time to individual candidates. In 1983 a decision was made for the first time to provide an amount of free time for retiring Independent Senators. The free time allocated at that time was five minutes on television and five minutes on radio - this amount applies today. In proportion to the overall time granted to the major parties the ABC considered this to be a reasonable time for Independent Senators seeking re-election.

6.70 The ABC submission also opposed any suggestion that the campaign period - now defined by the ABC for election purposes as the period between the issue of the writs and polling day - be extended to the life of the Parliament.

CHAPTER 7

ELECTION FUNDING AND FINANCIAL DISCLOSURE

- . Background
- . Spot Audits
- . Third Parties (Non-Candidate
Interest Groups)

Background

7.1 On 1 November 1988 the AEC's Election Funding and Financial Disclosure Report for the 1987 federal election was tabled in Parliament, and on 3 November 1988 the Minister for Administrative Services, the Hon. Stewart West, MP, wrote to the Committee requesting that the Committee examine the Report in the context of its Inquiry into the conduct of the 1987 federal election.¹

7.2 The Report indicated that the operation of Part XX (Election Funding and Financial Disclosure) of the Electoral Act for the 1987 federal election had resulted in various minor difficulties. The Report also noted the effects of legislative amendments to Part XX of the Electoral Act which came into effect on 3 June 1987. These amendments gave effect to some of the recommendations of the Joint Select Committee on Electoral Reform of the 35th Parliament.²

7.3 The amendments provided for:

- . the repeal of candidate registration provisions which resulted in candidates and Senate groups not endorsed by a party being able to claim public funding;
- . the repeal of the requirement for printers to furnish returns;

1. Australian Electoral Commission, Election funding and financial disclosure: Report on the operation of Part XX of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1987, AGPS, Canberra, June 1988.
2. See: Joint Select Committee on Electoral Reform, The operation during the 1984 general election of the 1983/84 amendments to Commonwealth electoral legislation, Parliamentary Paper 1/1987.

- . the insertion of a definition of an electoral advertisement;
- . the extension of the reporting period for third parties;
- . the setting of a date 24 weeks after polling day for making claims and returns available for public inspection; and
- . the amendment of claims and returns.

7.4 Examination of the Report indicated a need for further legislative action in two main areas, viz.:

- . random (or spot) audits to be conducted by the AEC; and
- . third parties, that is non-candidate interest groups.

Spot Audits

7.5 Section 316 of the Electoral Act provides for authorised officers of the AEC to conduct investigations in the aid of its administration of Part XX of the Act. (Section 316 is reproduced as Appendix G).

7.6 In 1985 the AEC reported to the Joint Select Committee on Electoral Reform (which was then conducting an inquiry into the conduct of the 1984 federal election) that it had unsuccessfully sought to undertake random compliance audits of political parties. While the AEC had assumed s.316 provided it with the necessary legislative authority to undertake compliance audits, two parties had rejected this. The AEC consequently

sought advice from the Attorney-General's Department only to be advised that:

... section 316 could not be read as enabling an authorised officer to require the production of party records relating to gifts that are not required to be set out in a Part XX return'.³

7.7 The AEC submitted to the Joint Select Committee that it had always been intended that the powers conferred by s.316 should enable it to conduct random compliance audits. As it was unable to conduct such audits (except in cases where a breach of the Electoral Act was suspected) the AEC considered its ability to administer and enforce the disclosure provisions of the Electoral Act was severely limited. The Joint Select Committee rejected this argument and concluded:

... to the extent that the AEC believed that the parties were misinterpreting the legislation or misunderstanding its tenor the problem was amenable to correction by an educative process. To the extent that the AEC suspected deliberate evasion or falsification then it possessed the necessary powers to investigate and should use them. There is no need for spot audits.⁴

7.8 Aside from this conclusion the Joint Select Committee indicated in its report that it 'could well exercise its own investigative functions in the aid of provisions of the Electoral Act requiring disclosure'.⁵

3. Joint Select Committee on Electoral Reform, The operations during the 1984 general election of the 1983/84 amendments Commonwealth electoral legislation, Parliamentary Paper No. 1/1987, p. 176.

4. Joint Select Committee on Electoral Reform, p. 177.

5. Joint Select Committee on Electoral Reform, p. 2.

7.9 At this time there is some concern about the extent of parties avoiding the disclosure provisions of the Electoral Act. When asked how many donations were being caught by the present disclosure provisions the Electoral Commissioner replied that the AEC did not know. The Electoral Commissioner did not believe there were major abuses occurring, but added:

... there is the disquieting fact that the affairs that have become public knowledge and that have led to further investigation by the police and to prosecutions and the like, have invariably come about not as a result of any natural interpretation of the evidence but as a result of some internal controversy within the organisation or between organisations that has caused somebody to do someone in. This is slightly worrying. If they do not fall out, then we never get to know.⁶

7.10 The lack of knowledge about what parties may or may not be declaring is illustrated by examination of Table 7.1 which shows for the 1987 federal election, electoral expenditure for parties, their publicly disclosed gifts and donations, and the amount of public funding they receive. It might reasonably be assumed that the net amount of expenditure, less gifts and donations, less public funding would be the amount of money spent during the election but which was not declared as donations. However, the situation is not so simple. For example, parties now have regular incomes which derive from acquired capital and these incomes are not required to be disclosed because they are not donations.

6. Evidence, pp. 1007-8.

Table 7.1 Summary of donations received, expenditure incurred as per official returns and public funding payments for registered political parties for the 1987 federal election

Party	Donations \$	Expenditure \$	Public funding payment \$
Australian Labor Party	5,066,224.55	10,463,948.82	4,759,413.92
Liberal Party of Australia	4,029,000.19	6,098,314.12	3,495,955.00
National Party	1,720,166.64	4,063,395.39	1,197,637.00
Australian Democrats	116,300.32	556,073.37	710,009.36
Unite Australia Party	99,884.77	70,554.43	-
Nuclear Disarmament Party	18,134.90	25,955.4	5,927.4
The Greens	8,979.60	10,102.4	-
Australian Family Movement	2,275.00	3,294.00	-
Senator Brian Harradine Group	12,414.90	20,190.00	14,128.87
Northern Territory Country Liberal Party	374,171.30	243,672.00	24,149.98
Defence and Ex-Services Party	8,369.13	7,343.8	-
Call to Australia (Fred Nile) Group	166,457.00	90,898.00	-
Pensioner Party of Australia	1,408.57	830.4	-
Democratic Labor Party	3,676.00	2,689.00	-
Socialist Workers Party	-	1,582.00	-
One Australia Movement	6,334.00	19,282.00	-
Vallentine Peace Group	28,625.88	43,708.35	15,277.51
Communist Party	3,400.00	1,071.00	-

Source: Australian Electoral Commission, Election funding and financial disclosure: Report on the operation of Part XX of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1988, June 1988, AGPS, pp. 38-9.

7.11 While income from capital explains some of the extra money spent by parties the remainder must be seen as donations which may not be required to be disclosed under current legislation.

7.12 The difficulty for the AEC in this area was described metaphorically by the Commissioner:

... what happens under the present arrangements would be that the recipients of donations stand to one side of the table with three walnut shells, only one of which is transparent if it is labelled 'A donation to the next Federal election'. There are two other walnut shells which are completely opaque and it is up to us to guess which walnut shell the pea is under. If it is not under the transparent one, they merely say, 'wrong', and that is the end of the matter.⁷

7.13 Comment was sought from the Electoral Commissioner as to the appropriateness of giving the AEC the power to conduct spot audits. He responded that the issue was one of balancing the need for disclosure against democracy:

If it is felt that the costs of that additional disclosure would inhibit democracy in some way, [the AEC] would have to accept that that is a cost that the Parliament is not prepared to accept. But if it is believed that a system of disclosure is an integral part of a contemporary democratic system, then [the AEC] believe that it should go further than it does at present ...⁸

7.14 The Electoral Commissioner further explained that he saw no need for a universal audit system but favoured spot audits being carried out on a random basis. He believed that if the AEC had the power to conduct spot audits it would be able to say with a clearer conscience and more confidence:

Everything appears to be satisfactory and compliance with the Act appears to be satisfactory.⁹

7. Evidence, p. 995.

8. Evidence, p. 1008.

9. Evidence, p. 1008.

7.15 The Committee is of the view that financial disclosure is an important adjunct to democracy in Australia and it is therefore a matter of some concern that the AEC is not able to say that it is confident political parties are complying to the provisions of Part XX of the Electoral Act. The Committee notes the comments made by its predecessor, the Joint Select Committee on Electoral Reform, when rejecting the AEC's 1985 recommendation that it be given the power to conduct spot audits. However, the Committee believes there is an alarming lack of information on sources of election funding for parties in federal elections and is of the view that brave steps must be taken to remedy the situation.

7.16 The Committee recommends that:

The Commonwealth Electoral Act 1918 be amended so as to provide the Australian Electoral Commission with the power to conduct spot audits of the electoral activities of registered political parties. (Recommendation 1)

The Australian Electoral Commission in all future reports on the operation of Part XX of the Commonwealth Electoral Act 1918 publish a record of all spot audits undertaken, the reports to provide detailed information on audits only where breaches of the Act have occurred. (Recommendation 2)

The Commonwealth Electoral Act 1918 be amended so as to provide for the full disclosure of all forms of income and expenditure by registered parties. (Recommendation 3)

Third Parties (Non-Candidate Interest Groups)

7.17 Third parties are persons or organisations other than registered political parties, candidates or Senate groups who, during the disclosure period related to an election, incur expenditure for a political purpose in relation to the election.¹⁰

7.18 The Election Funding and Disclosure Report summarises the conditions under which third parties are required to submit returns to the AEC:

Under section 305 of the Act, a Return of Details of Gifts Received must be submitted if:

- . the person incurred expenditure for a political purpose in relation to the election during the disclosure period; and
- . the total amount of such expenditure was \$1000 or more; and
- . the person used, in whole or in part, gifts received during that period to incur such expenditure or as reimbursement for incurring such expenditure; and
- . the amount or value of any gift applied was \$1000 or more ...

10. Commonwealth Electoral Act 1918, s.305(1).

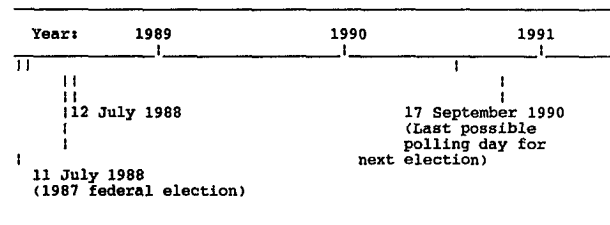
Under section 309(4), a Return of Electoral Expenditure must be submitted by a person taking part in an election campaign if electoral expenditure totalling more than \$200 was incurred on the items specified in section 308 of the Act without the written authority of a political party, candidate or Senate group.¹¹

7.19 Prior to the 1987 amendments to the Electoral Act the disclosure period for third parties extended from the issue of the writ to polling day. The amendments changed the disclosure period so that it extended from polling day in one election to polling day in the next election and this change brought the requirements for third parties in line with that of political parties.

7.20 As the amendments were effected on 3 June 1987, the disclosure period for the 1987 federal election was 5 June (the issue of the Writ) to 11 July (polling day). The disclosure period for the next federal election therefore commenced on 12 July 1987. However, while it may have been expected that the disclosure period for the next election would end on the next polling day this may change as a result of the Electoral and Referendum Amendment Bill 1988, (which at the time of drafting is before the Senate). This bill changes the disclosure period for third parties so that it commences 30 days after polling day in the last preceding election and concludes 30 days after polling day for the current election.¹²

7.21 Under the current legislation third parties can avoid disclosure. In particular, donations made during the current disclosure period but which apply to the previous election are not required to be disclosed. Figure 7.1 illustrates this.

Figure 7.1 Timeline showing disclosure period.



7.22 Figure 7.1 shows that a donation made between 12 July 1988 and the polling day of the next federal election (which could occur anytime up until 17 September 1990) for the purpose of the next election is required to be disclosed but a donation made during the same period for the 1987 election is not required to be disclosed.

7.23 It should be noted that the Electoral and Referendum Amendment Bill 1988 will alter the disclosure period so that it extends from 30 days after one election to 30 days after the next. However, the Bill will not eliminate the problem.

7.24 Under existing legislation third parties intent on avoiding disclosure will probably find some circuitous means of achieving their objectives.

11. Australian Electoral Commission, Election funding and disclosure: Report on the operation of Part XX of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1987, AGPS, Canberra, June 1988, p. 24.

12. Electoral and Referendum Amendment Bill 1988, Clause 86(f).

7.25 The Committee considered different approaches for tackling the problem. These included:

- giving the AEC discretionary power to examine suspicious third parties; and
- introducing a more comprehensive disclosure period.

7.26 Giving the AEC investigatory power to examine supposed third parties would mean the AEC would be able to examine whoever it wanted, a power which may be generally unacceptable and perhaps unproductive. On this point it is to be noted that the AEC was unable to bring legal action against the H R Nicholls Society after the Society placed a newspaper advertisement during the 1987 federal election which the AEC considered came within the provisions of s.309(4) of the Electoral Act.^{13,14}

7.27 The Society's advertisement dealt with the issue of union power and was considered by the AEC to be an issue in the election. However, the Society's President did not believe the advertisement contained electoral matter and therefore said the Society was not required to lodge a return. The AEC sought the advice of the Director of Public Prosecutions on the matter and was advised that a prosecution would be difficult to achieve. The AEC therefore advised the Society that a return declaring expenditure on the advertisement was not required.

7.28 In relation to more frequent disclosure an annual disclosure period was considered. However comprehensive, it was seen that this would not catch that many more offenders but would generate a substantial amount of work for the AEC. The AEC said annual disclosure would be very difficult to implement because it was a voluntary requirement and those people or organisations determined not to comply would ignore it.¹⁵

13. Australian Electoral Commission, Election funding and financial disclosure: Report on the operation of Part XX of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1988, June 1988, AGPS, p. 28.

14. Evidence, p. 1000-2.

15. Evidence, p. 994.

7.29 The Committee notes that the amendments contained in the Electoral and Referendum Amendment Bill 1988 will go some way to improving the situation with regard to third parties but believes a further change is needed. In particular, the Committee is of the opinion that during any one disclosure period there should be a requirement on third parties to disclose expenditure which relates to any election and not just the election bounded by the disclosure period.

7.30 The Committee recommends that:

Section 305 of the Commonwealth Electoral Act 1918 be amended so that during any one disclosure period third parties are required to disclose income and expenditure which relates to any election and not just the election bounded by the current disclosure period. (Recommendation 4)

7.31 The Committee takes a serious view of the role played by third parties in federal elections and notes that they are able to engage in many activities, such as standing candidates, that are generally thought to be the preserve of political parties and candidates.

7.32 At this time third parties are often important players in a federal election and in future elections it is anticipated that third party campaigning will increase. Because of this the public, the media and the Parliament should be kept informed of who third parties are. Organisations classified as third parties by the AEC should also be fully aware of their classification and the consequent requirements placed upon them.

7.33 The AEC maintains a 'call group' of third parties which is a cumulative listing of third parties participating in federal elections and at the time of an election, the AEC writes to those on its call group reminding them of their obligations under the Electoral Act. The Committee believes that the publication of this call group list would go some way to alerting the public, the media and the Parliament to the role of third parties and recommends that:

The Australian Electoral Commission in all future reports on the operation of Part IX of the Commonwealth Electoral Act 1918 publish its current listing of third parties. (Recommendation 5)

7.34 Because of the activities and growing importance of third parties the Committee sees a need to subject third parties to the disclosure requirements applying to registered political parties. The Committee therefore recommends that:

The Commonwealth Electoral Act 1918 be amended so as to provide for the full disclosure of all the income of and expenditure by third parties publicly listed by the Australian Electoral Commission in its reports on the operation of Part IX of the Commonwealth Electoral Act 1918. (Recommendation 6)

7.35 In addition, the Committee believes that the AEC should have power to conduct spot audits of those third parties that are known or found to have a financial relationship with a registered political party.

7.36 The Committee recommends that:

The Commonwealth Electoral Act 1918 be amended so as to provide the Australian Electoral Commission with the power to conduct spot audits of third parties known or found to have a financial relationship with a registered political party. (Recommendation 7)

CHAPTER 8

COST

- . Cost of Political Advertising in
Australia
- . Problems Overseas

Cost of Political Advertising in Australia

8.1 The increasing importance of political advertising has coincided with substantial increases in advertising costs. Political advertising expenditure to broadcasters and publishers in the 1984 federal election totalled \$7.1m. By the 1987 federal election this figure had increased to \$14.89m, an increase of 112%, while the expenditure on television and radio advertising had increased 137%, from \$4.4m to \$9.17m. Over the same period, public funding increased by only 31.9%, from \$7.8m to \$10.29m. (See Table 8.1).

8.2 The Committee has noted the increasing gap existing between public funding and the amount of money required for advertising at federal elections and is concerned about the situation. The ability to buy television and radio advertising should not and must not play a determining part in federal elections.

Problems Overseas

8.3 Over the last decade there have been numerous cases of scandal whereby politicians have been charged for improper practices relating to campaign and political funding. Two of the most publicised cases are the recent Recruit scandal in Japan and Watergate in the United States.

8.4 In Japan the Recruit scandal has shown the power of money in the political process. As in the case of the Lockheed bribery scandal of the mid-1970s, the Recruit scandal showed the devastating results of a trail of political donations and dubious stockmarket dealings by which the Recruit group of companies brought influence to bear on the ruling Liberal Democratic Party.

8.5 The Recruit scandal has seen the resignation of many of Japan's best and brightest leaders and, more recently, the Japanese Prime Minister, Mr Takeshita, announced that he intended to resign after public disclosure that he had accepted large

Table 8.1 Expenditure Reported by Broadcasters, Publishers and Printers for Registered and Non-Registered Parties

	Radio	Television	Broadcaster Total	Publisher	Printer	Public Funding
1983	750,181	3,575,121	4,325,302	(1)		N/A
1984	(2)		4,437,374	2,672,707	1,510,796	\$7,806,777
1987	1,998,501	7,174,315	9,172,815	5,726,824	(3)	\$10,298,657

Notes:

(1) Publisher and Printer figures not available.

(2) Breakdown of "Broadcaster" figures not available.

(3) Printers' returns abolished after 1984 election

Source: Australian Broadcasting Tribunal, Election Funding and Financial Disclosure Report, Interim Report, 1984, p. 101.

Australian Electoral Commission, Election Funding and Financial Disclosure: Report on the operation of Part XI of the Commonwealth Electoral Act 1918 in relation to the elections held on 11 July 1987, AGPS, Canberra, 1988, pp. 38-9.

amounts of money from the Recruit group of companies in the form of donations and party ticket sales between 1985 and 1987.

8.6 In the United States public funding was introduced for Presidential elections following the Watergate scandal and the disclosure of the improper campaign fund-raising used during President Richard Nixon's successful campaign for re-election in 1972.

8.7 More recently there has been some debate in the US about the fund-raising techniques used by US Congressmen. In particular, there is concern about Congressmen receiving substantial donations for public speaking engagements and the practice of charging lobbyists to attend meals with Congressmen. It has been alleged that a large amount of time is spent by Congressmen raising funds to pay for television advertisements as they, and not their party, are responsible for raising such funds.

8.8 In the light of such overseas experience the Committee is particularly concerned about the dramatic increases in the cost of political broadcasts that have occurred in Australia. Moreover, expected increases in the cost of advertising on television and radio lead the Committee to have grave concerns about the pressure this will place on political parties and the consequent increased dependency by all main parties on the corporate sector to fund their campaigns.

8.9 The Committee believes that, while there is no firm evidence of corrupt practice in Australian political fundraising, the substantial increase in the cost pressures of campaigning create the potential for such practices.

8.10 Options for addressing the Committee's concern about this issue will be examined in the following chapter.

CHAPTER 9

OPTIONS

- . Increased Public Funding
- . Tax Deductibility
- . Ceiling on Paid Advertising
- . A Complete Ban
- . Free Time
- . Recommendation

9.1 Various options were considered by the Committee. They included:

- . increasing the level of public funding to take account of the greater cost of election media advertisements;
- . tax deductibility of political donations;
- . imposing a ceiling on paid political advertising;
- . imposing a complete ban on political advertising; and
- . providing free time for political advertising.

Increased Public Funding

9.2 Increasing the level of public funding to take account of the greater cost of election media advertisements has an advantage of being able to use a system that already exists for distributing the level of public funding to those participating in the political process. A new public funding formula would therefore be unnecessary. However, the increased cost of elections would be borne by the taxpayers. On this point it should be noted that a 60 second television advertisement on one Sydney television channel cost \$4,400 in 1984 and \$5,500 in 1987 and on current price indications may well cost \$10,000 in 1990. So while the 1987 election cost the parties \$7.17m for television advertisements it may well cost the taxpayer \$13m in 1990. There would also be no guarantee that advertising charges would not increase once it became established that the burden would be placed on the taxpayers. Public funding would therefore need to be indexed to the cost of electronic media advertising.

Tax Deductibility

9.3 Political parties receive donations from a wide range of sources including party members, supporters, unions and the corporate sector. Currently these donations do not attract tax deductibility for income tax purposes, whether they are used to help fund election campaigns or to help fund other party activities.

9.4 The ALP submission claimed that additional funds raised by political parties with tax deductibility advantage would alleviate any pressure for increased levels of public funding, encourage political parties to continue to seek direct support from the public, and help them more adequately fulfil their necessary social functions. However, the Liberal Party submission expressed the view that tax deductibility of political donations (with a ceiling on deductible donations) is a preferable alternative to the existing system of public funding but could not advocate that tax deductibility should be an addition rather than an alternative to public funding.

9.5 The disadvantage of this proposal is that tax deductibility would favour high income earners and large donors who would receive large tax rebates which in turn would result in loss of revenue to the government.

Ceiling on Paid Advertising

9.6 A ceiling on the amount of paid political advertising that any party or candidate may buy may overcome the spiralling costs of television advertising. However, if a ceiling were applied to each party or candidate, then recent experience in the United States suggests there would be a growth in political action committees (which are commonly referred to as PACs) which could be formed by candidates to campaign on their behalf. Each political action committee could campaign for funds up to the stated ceiling. Despite this effect it is likely that a ceiling would limit the growth in political expenditure and therefore the dependence of parties and candidates on donations. This would

also mean no additional cost to the taxpayer. However, depending on the level of the ceiling, there may be little effect on the revenue earned by television and radio stations.

9.7 In accordance with s.116 of the Broadcasting Act 1942 licensees would be obliged to ensure equal opportunity is given to all parties and individuals to purchase paid time. Because of this it would be very difficult to plan and manage a 'ceiling' system during an election period. For example, there could be significant administrative difficulties if a party did not take up time during the early stages of an election period and later decided it wanted to advertise towards the end.

A Complete Ban

9.8 While some viewers may support a complete ban on political advertising it would have a direct effect on freedom of speech by reducing opportunities for discussion during election periods when voters are determining the candidate or party they wish to support.

9.9 Most witnesses disagreed with a complete ban on political advertising, claiming that it would have an adverse effect on freedom of speech and in particular would disadvantage citizens and groups who wished to bring issues before the electorate. The beneficiaries of a complete ban would be the existing major parties.

9.10 A complete ban on political advertising would result in a reduction in the revenue of broadcasters and in particular, the revenue of commercial television stations. Commercial television received over \$7.1m in station revenue from the 1987 election campaign which represented 5.03% of their annual profit and 0.57% of the gross revenue in 1987/88. However, the loss to radio stations would not be as great.

9.11 During the Inquiry FARB argued that loss of potential revenue to radio broadcasters is of a minor nature when spread over a period of approximately three years, \$1.8m being received in the 1987 election campaign. The principal concern of FARB is the quality of radio services provided to the public and in FARB's view this would not be affected by the banning of political advertising.

Free Time

9.12 As Chapter 5 shows, the provision of free time for political broadcasting is a common feature of many western democracies, the main exceptions being Australia (commercial stations), Norway and the United States.

9.13 In Australia, commercial television networks sell eleven minutes of advertising per hour in prime time during non-election periods. In recent elections, networks have been able to sell an extra minute of advertising per hour to political parties or candidates during the respective election periods. They have done this according to the ABT's advertising rule, TAC 12 (now repealed) and will be able to do so again at the next federal election.

9.14 Because of this situation, the Committee believes commercial television and radio stations can provide up to one minute per hour of free time for political broadcasting without any loss of revenue, compared to periods outside the election period. The extra time of up to one minute per hour can be used at the expense of time now given to station promotions.

9.15 This proposal would not require any increase in public funding and so would involve no additional expense to the taxpayer. It would also remove the pressures from political parties for rapid increases in the levels of public funding to take account of the increasing costs of media advertising.

Recommendation

9.16 The Committee views the fifth option, that is the provision of free time, as the most suitable for allowing parties to advertise their policies to voters without becoming increasingly dependent on finance from large corporations.

9.17 The Committee therefore recommends that:

The Broadcasting Act 1942 be amended so as to provide for a system of allocating free time for political broadcasting on television and radio for elections in Australia.
(Recommendation 8)

CHAPTER 10

FREE TIME PROPOSALS

- . Application
- . Allocation
- . Implementation

10.1 Having decided that a system of free political advertising should be introduced during election periods, the Committee considered various means of implementing such a system.

10.2 The formula presented in this chapter was adopted after considering a number of alternatives. The Committee believes that this formula which provides for the allocation of a pool of free time for political broadcasts is fair to political parties, broadcasting networks and voters.

10.3 While free time should reduce the pressure on political parties to obtain large donations from corporate donors, the Committee is concerned that such donations, if restricted to Federal elections, may be channelled elsewhere eg. to State or local elections, to other non-campaign purposes, or to subsidise paid political advertising. The Committee therefore believes that free political advertising time should apply to both Federal and State elections, and that all political parties should be required to disclose all donations, whether they are for Federal, State or local campaigns or for other non-campaign purposes.

Application

10.4 Free time for political advertising should apply for both Federal and State elections subject to the following conditions:

1. there be no paid political advertising on radio or television from the date of the Issue of the Writs to polling day; and
2. all registered political parties or candidates accepting free time on radio or television submit to the AEC a return which discloses all donations, incomes and expenditures, irrespective of the purposes for which they were received or made. The requirement for this disclosure is contained in Recommendation 3 (Paragraph 7.16, Chapter 7).

10.5 It is important to note that at the State level to qualify for free advertising time all political parties or candidates must follow the comprehensive disclosure provisions recommended by the Committee to apply at the Federal level.

10.6 In the case of by-elections the free time proposal should not apply nor should paid political advertising on television or radio be permitted. These qualifications relate to the service area(s) associated with a by-election and apply from the date of the Issue of the Writs to Polling Day. It is noted that the ABC does not provide free time for by-elections.

Allocation

10.7 Allocation of free time available for distribution to political parties and candidates should adhere to the following principles:

- Free time should be provided (broadcast) from seven days after the Issue of the Writs until the start of the election blackout, three days before polling day.
- The amount of free time on each television or radio station will be one minute per hour for the period the station is broadcasting from 6.00am until 12.00 midnight, except in the case of television during the children's hour from 4.00pm - 5.00pm on weekdays.
- The extra one minute per hour will be at the expense of station promotions. Therefore, the maximum limits on commercial advertising on television will be the same as in a non-election period, that is 11 minutes per hour in prime time and 13 minutes per hour in non-prime time.

10.8 The Committee decided that one minute per hour of free time should be provided because this is the maximum additional amount of paid advertising which commercial television stations have been permitted to broadcast in previous elections under the now repealed ABT rule TAC 12. Under this rule the ABT gave permission for limits on advertising during an election period to increase to 12 minutes in prime time and 14 minutes in non-prime time.

10.9 By providing an extra one minute per hour of free time at the expense of station promotions, television station revenue during an election period will remain the same as that outside an election period.

10.10 While the television networks may argue that ABT regulations on advertising have been deregulated for a trial period of two years, the networks have given guarantees that the level of advertising will not increase during the trial.¹

10.11 While paid political advertising should only be permitted prior to the Issue of the Writs, from one week after this date the only permissible political advertisements will be those provided for under the free time formula.

10.12 The Committee believes that up to 17 minutes per day of free time should be allowed on each television and radio station effective from seven days after the Issue of the Writs. The period of seven days is intended to allow all political parties time to prepare their advertisements. The total amount of free time for a Federal election will be of the same order of magnitude as the total amount of paid political advertising at the 1987 federal election. Therefore, when compared with past federal elections the proposal will not lead to a major increase or decrease in the amount of political advertisements.

1. Evidence, p. 825.

Implementation

10.13 The Committee was reluctant to determine an exact formula for allocating a pool of free time between various eligible parties but has instead sought to formulate guidelines to provide for a fair distribution of free time to those participating in the political process.

10.14 The Committee recommends that:

An independent committee, such as the Party Political Broadcast Committee in the United Kingdom, be established and that it have responsibility for allocating free time to parties and candidates and the determination of time slots. (Recommendation 9)

10.15 The Australian version of the Party Political Broadcast Committee (which would be referred to as the PPBC) should have discretion in allocating free time in certain circumstances as is currently the case with the allocation of time for political broadcasts by the Board of the ABC.

10.16 The role of the PPBC would be of the utmost importance in the application of a system of free time and hence its membership would also be of importance. The final view of the Committee is that as the ABT has been responsible for the regulation of television and radio advertising in the past it should be responsible for this further development in the broadcasting area. Some form of consultative process would be necessary between the PPBC and radio and television networks to ensure fairness to all participants.

10.17 Should there be disagreement over a decision of the PPBC there should be a right of appeal to an Appeals Committee. Such a committee should consist of representatives from the ABT, the AEC, and representatives from FARB and FACTS.

10.18 The Committee considered formulae used in other Western democracies for the allocation of free time for political advertising. Formulae based on the number of Members and Senators elected to the Parliament and the number of candidates a party nominated were also examined but rejected.

10.19 The Committee believes that the formula for allocating free time should be based largely on the level of support which a party has received at the previous election. In particular, it is felt that the formula which has been used to allocate public funding at the 1984 and the 1987 elections should be used as a model in allocating free time to political parties and candidates who nominated at the previous election.

10.20 If one or more Members or Senators should leave their party (such as happened with the ALP in the 1950s and more recently with Senator Vallentine's split from the NDP), the Committee believes the free time allocated to the affected party should be shared between the parties and the sitting Senators. In situations such as these, the PPBC should use its discretion to determine the allocation of free time.

10.21 There was some concern that by using the public funding formula, based on the number of votes received at the last election, a new political party may have significant support but be ineligible for any free time. In such cases the Committee recommends that up to 5% of the total amount of free time in any one State be shared amongst any registered political parties which nominate candidates for the Senate and more than half the House of Representatives seats in any one State. A political party which is unable to nominate candidates in more than half the seats in one State will be considered not to have demonstrated that it has sufficient support to qualify for free time. This will give the PPBC some flexibility to provide some free time to new political parties.

CHAPTER 11

OTHER ISSUES

- . Duration of Advertisements
- . Packaged Campaign Launches
- . Definition of 'Election Period'
- . Electronic Blackout
- . Discounts
- . Authorisation of Political Advertisements
- . Collection of Statistics

Duration of Advertisements

11.1 The ALP submission indicated that short (30 second television) advertisements might be useful for promoting images and conveying impressions; but they were a poor means of transmitting information or reasoned argument. On the other hand, advertisements of longer duration were likely to be better vehicles for presenting issue-related cases and policy choices. However, these may make programming more difficult and risk encouraging viewers to turn off their television and radio sets.

11.2 At a public hearing in Canberra on 11 November 1988 the ALP National Secretary, Mr Hogg, argued that advertising time should therefore be available either only in two minute modules, or with a two minute minimum duration. This, the ALP believes should improve the quality of political advertising. The Democrats argued that the minimum time for political advertisements should not be two but three minutes, claiming that anything less than a three minute block of advertising is not conducive to the dissemination of substantial policy information. However, the Committee found that the majority of submission makers rejected this principle.

11.3 The Liberal Party submission rejected the quality principle, claiming that two minute advertisements would produce no qualitative change but would lead to further impediments especially for the smaller groups. The Australian Television Network Limited submission supported the Liberal view claiming that their experience suggests that the most creative two minute advertisement does not hold viewer attention, much less a political message. The National Party submission argued that the minimum time limit of two minutes creates a situation where very few people either listen to or watch a party political broadcast during the election period.

11.4 In relation to the duration of free time advertisements on the ABC, the ABC submission advised that in discussion with the parties some five years ago, the ABC agreed to reduce the minimum time from five minutes to two minutes. The ABC felt the change was desirable for programming and scheduling reasons and because it was concerned that five-minute announcements were counter-productive, in that there was evidence of audience rejection. Audiences tended to prefer shorter advertisements to longer ones provided that meaningful information was conveyed. The parties felt that two-minute announcements were more audience-attractive, easier to produce and provided greater frequency of exposure and hence more audience reach. The ABC emphasised the distinction between its role and that of the commercial stations. The ABC claimed that it exists to provide a forum in a way that the commercial stations do not, for the presentation of information that is relevant to an election - whereas the commercial stations are concerned with promoting the interests of a party. Thus the ABC believes that for its free-time purposes, the two-minute minimum should be retained.

11.5 The Committee agreed that two-minute minimum announcements should continue on the ABC but is not satisfied that the imposition of a two-minute political advertisement on commercial stations would result in an improvement in the quality of political advertisements. The Committee therefore recommends that:

No minimum time period be set for political advertisements broadcast on radio and television. (Recommendation 10)

Packaged Campaign Launches

11.6 Bob Cornish of John Singleton Advertising expressed the view that party leaders' policy speeches, being a matter of national importance, should be carried live by the electronic media across all networks and be broadcast in prime time. At the public hearing in Canberra on 16 March 1989 Mr Cornish stressed that:

... the parties' platforms for the running of the country in the future are important enough to be treated on the same level as one-day cricket.¹

Live coverage and a packaged campaign launch should be made one of the conditions of having a licence.

11.7 John Singleton Advertising advised that they are presently negotiating with the networks about the possibility of having a 15 minute program on the night of the party's launch in a common timeslot - preferably 8.30pm. This could be in addition to the live broadcast eg. at midday.

11.8 Mr Cornish stressed that the commercial networks, as well as the ABC, should:

... bring judgement to bear and decide that this is a matter worth giving live coverage but still have the time in the evening at the common time ... so that the bulk of the viewing audience can see the platform that the party is running on for the election.²

11.9 The Democrats' submission supported the idea of live coverage, claiming that policy speeches should be co-ordinated across all television and radio stations simultaneously so that the message of the parties seeking government is given wide and equal coverage.

11.10 ATN rejected the suggestion that policy speeches be

1. Evidence, p. 804.
2. Evidence, p. 804.

across all television and radio stations simultaneously so that the message of the parties seeking government is given wide and equal coverage.

11.10 ATN rejected the suggestion that policy speeches be telecast in prime time and in the same time slot - claiming that more people will be reached if the speeches are staggered. The transmission of policy speeches, they claimed, result in a cost in revenue foregone, in that programs are rescheduled to allow placement of the policy speeches. If party launches are scheduled at the same time across all stations then the potential audience available is limited. To elaborate on this, ATN's submission provided the percentage of total homes with a television set turned on at various times of the year on Wednesday at 8.30pm, namely:

July	54%
September	57%
December	42%
February	55%

11.11 Mr Bob Campbell from ATN advised that during any of the nominated months, between 58% and 43% of people are not available to view the parties' policy launches should they all be broadcast at the same time.³

11.12 At a public hearing in Canberra on 14 April 1989 ATN argued that providing the viewer with no alternative at 8.30pm, beside being disruptive to commercial stations schedules, has the potential to significantly discount the station's viewing audience. Mr Campbell contended that:

... if the subject matter is such that it will attract an audience, there is no detriment in its going on the ABC at 8.30 and you have got a chance of reaching a broader audience, with

3. Evidence, p. 1125.

commercial flexibility, if the statement is placed elsewhere.⁴

11.13 However, times of the broadcast of policy speeches vary on commercial stations. For example, ATN telecast the policy speeches at 9.30pm during the 1987 election campaign.⁵

11.14 At a public hearing in Canberra on 14 April 1989, FARB advised the Committee that over the past few years the political parties have lost interest in using radio for their launches.⁶ Should the radio stations be approached they would be willing to broadcast the policy speeches.

11.15 Present ABC policy is to broadcast party policy speeches or a packaged campaign launch on television and radio on the same night but in different time slots. On television, policy speeches of up to 30 minutes duration are telecast in peak time at either 8.00pm or 8.30pm. The ABC radio broadcast is also at peak time - often at 7.15pm.

11.16 The ABC presently allocates up to 30 minutes to cover policy speeches and does not believe that this should be extended to include a packaged campaign launch.

11.17 At a public hearing in Canberra on 14 April 1989 the Managing Director of the ABC claimed that the longer the duration of political material presented, the greater the audience rejection. This is based on the McNair-Anderson survey of the 1987 federal election. When the longer policy statements by both the Government and Opposition were shown, the ABC lost significant audiences in all capital cities.⁷

4. Evidence, p. 1125.
5. Evidence, p. 1150.
6. Evidence, p. 1106.
7. Evidence, p. 923.

11.18 An internal review conducted by the ABC concluded that the assumption can be made that political broadcasts screened on ABC television cause a loss in audience. The loss is also reflected on the program screened immediately after the political broadcasts and the audiences do not seem to recover on the day of the broadcast.⁸

11.19 Policy speeches are usually televised by the ABC at 8.00pm or 8.30pm. The ABC advised the Committee that when the commercial television stations presented the election policy speeches simultaneously at 9.30 on Tuesday and Thursday nights, the number of homes using television sets dropped dramatically.⁹

11.20 The ABC claimed that McNair-Anderson research indicated that at 9.15pm on an election policy speech night, 66% of television sets in Sydney were being used. When the policy speech commenced at 9.30pm the number of sets still operating dropped from 66% to 35%.

11.21 The Chairman of the ABC, Mr David Hill, advised:

The ABC was showing 'For Love or Money' and its audience doubled on what was there before. So some switched off and some came over to 'For Love or Money'.¹⁰

11.22 At a public hearing in Canberra on 14 April 1989 the commercial stations rejected completely the suggestion that live coverage and an extended evening summary should be made one of the conditions of having a licence.¹¹

11.23 Whilst the Committee sees the advantages of live coverage of policy speeches, it is of the opinion that all commercial stations should not be forced to broadcast policy

8. Evidence, p. 923.
9. Evidence, p. 953.
10. Evidence, p. 953.
11. Evidence, p. 1129.

in very late time slots.

11.24 The Committee recommends that:

The Broadcasting Act 1942 be amended to ensure that the policy launches of major parties be broadcast free of charge at reasonable times. The Australian Broadcasting Corporation campaign launch broadcast times should remain as presently allocated. (Recommendation 11)

Definition of 'Election Period'

11.25 Section 116 of the Broadcasting Act provides a definition of the term 'election period'

... 'election period', in relation to an election, means the period that commences on the day on which the writ for the election is issued and ends at the close of the poll on the polling day for the election ...

11.26 The ALP submission suggested that, should a limit be set on the aggregate amount of advertising time which can be made available for use by the political parties, the parties should be able to exercise their allocations throughout the term of the Parliament. The election campaign period should therefore be regarded as the life of the Parliament. However, most submissions agreed that the election period should remain as presently defined in s.116 of the Broadcasting Act.

11.27 The Committee sees no need for change and believes that the 'election period' should remain as presently defined under s.116 of the Broadcasting Act.

Electronic Blackout

11.28 Although the National Party submission expressed the view that the electronic blackout should be abolished, the majority of submission makers supported its retention. The Committee believes that if the blackout provision did not exist then a party would be able to run negative advertisements up to election day, and the attacked party would have no time to prepare advertisements to reply. While the elimination of paid advertising removes the potential for a blitz of negative advertisements, it would still be possible to introduce new negative material to which parties or candidates could not respond. The Committee therefore supports retention of the blackout.

11.29 Section 116 of the Broadcasting Act imposes an electronic blackout which prohibits the broadcasting of election advertisements in relation to a specific election, from midnight on the Wednesday preceding the poll to the close of the polls on polling day. Section 115(4) of the Broadcasting Act currently requires the Tribunal, where the writ for an election has been issued, to serve a notice on affected licensees requiring them to refrain from broadcasting election advertisements in relation to that election during the statutory period. During this period, current affairs and news programs may continue to report on electoral matters.

11.30 The ABT believes that it should no longer be responsible for the administration of this provision. The onus for ensuring a blackout is observed for elections and by-elections should be placed on the licensees.

11.31 The Committee believes that retention of the electronic blackout from midnight on the Wednesday preceding the poll to close of the polls on polling day will allow electors to absorb information broadcast at this time.

11.32 The Committee agrees that licensees should be responsible enough to ensure blackout provisions are adhered to rather than be dependent on the ABT to advise them when an election is being conducted in their service area.

11.33 The Committee therefore recommends that:

Section 116 of the Broadcasting Act 1942 be amended so as to remove responsibility for administrative arrangements for the electronic blackout from the Australian Broadcasting Tribunal and place the responsibility on the licensees. (Recommendation 12)

Discounts

11.34 Of concern to the Committee were claims by John Singleton Advertising that volume discounts did not apply to political advertising. At a public hearing in Canberra on 14 April 1989, ATN claimed that political parties have been charged the rates that any casual advertiser, on a short-term basis would be charged on their network.

11.35 A list of discount levels which applied during the 1987 election is attached at Appendix J. The greater the total advertising expenditure the greater are the discount levels, with national discounts being slightly more attractive than if a booking is made on a station-by-station basis. The charges reflect demand, audience and what is being charged in the market place. Discounts are based on the total amount spent based on a calendar year, with any expenditure before the election being taken into account. Of concern to the Committee was the fact that should a political advertisement replace a prime-time advertisement, then the premium rate is charged to the political party/candidate. Political parties are therefore disadvantaged, as they do not know well in advance when an election will take place and thus are forced to pay prime rates.

11.36 The Committee notes that political candidates in the USA

advertisement, then the premium rate is charged to the political party/candidate. Political parties are therefore disadvantaged, as they do not know well in advance when an election will take place and thus are forced to pay prime rates.

11.36 The Committee notes that political candidates in the USA are charged for their advertisements at the lowest discount rate charged to the best commercial clients. Yearly expenditure is not taken into account. While the Committee believes that this is a fairer system than that presently operating in Australia the provision of free time will overcome this problem.

Authorisation of Political Advertisements

11.37 Section 117(1) of the Broadcasting Act specifies the requirements for identification of political matter on television and radio (Section 117(1) and (4) may be found at Appendix K).

11.38 The John Singleton Advertising submission claimed that the current method of authorisation at the end of an advertisement cuts into the time available to put across a message and that this is being achieved at a cost to the political parties. Identification required by the Act is in addition to what any party needs to do to identify itself. This is normally achieved by the party showing its logo for a number of seconds immediately before the identification graphic comes on and the announcer saying on whose behalf the advertisement has appeared.

11.39 John Singleton Advertising argued that it is unnecessary to show and announce who is authorising the advertisement and for which party. At present the prescribed authorisation takes 3 seconds on average - with the announcer speaking as quickly as possible. This 3 seconds will have a value in Sydney in December 1989 of \$650. In a national television election campaign this 3 second authorisation would total approximately \$0.5m.

John Singleton Advertising argued that this 3 seconds could be used more advantageously by the political parties to put across a more comprehensive message. The official logo or name of the party or individual should be sufficient authorisation and should be on the screen for a minimum of 1 second. The authorisation requirements on radio should refer to the party authorising the advertisement rather than name all of the voices in the advertisement. If the advertisement is being broadcast on behalf of an individual then it must be made clear on whose behalf the advertisement is broadcast¹².

11.40 At a public hearing in Canberra on 16 March 1989, John Singleton Advertising advised the Committee that although their proposal would result in no identification of who spoke the words or authorised the advertisement, these details would be held by the stations in accordance with s.117(2) of the Broadcasting Act.

11.41 The ABC at a public hearing in Canberra on 16 March 1989 advised that the ABC continues to carry a spoken announcement at the beginning and conclusion of political advertisements - even though there is no necessity to do so at the beginning. This makes a distinction between political advertisements and their other range of programs.

11.42 The Committee believes that records of who has authorised political advertisements should continue to be maintained by the stations in accordance with s.117(2) of the Broadcasting Act.

11.43 The Committee is of the view that the official logo or name of the party or individual appearing for a minimum of 1 second at the conclusion of political advertisements on television is sufficient identification. On radio, the authorisation should refer to the party authorising the advertisement or the individual on whose behalf the advertisement is broadcast.

11.44 The Committee therefore recommends that:

The Broadcasting Act 1942 be amended so as to provide for the official logo or name of the party or individual appearing for a minimum of 1 second at the conclusion of political advertisements, to be sufficient identification under the Act. (Recommendation 13).

Collection of Statistics

11.45 Until 1984 the Australian Broadcasting Tribunal collected statistics on the time used by political matter on radio and television during election periods. But following promulgation of the Commonwealth Electoral Legislative Amendment Act 1983 (enacted on 21 February 1984), the ABT ceased to collect these statistics claiming that the responsibility had passed to the Australian Electoral Commission.

11.46 However, the AEC does not accept that it has this responsibility. It claims that the rationale for the introduction of returns to the AEC by broadcasters (and publishers and printers) was that they would provide a useful double check on returns by political parties and candidates. Details in broadcasters' returns would not provide statistics relating to the amount of time allocated to political broadcasts during an election campaign. The Commission believes that such data should be obtained by the Tribunal under the Broadcasting and Television Act 1942 rather than by the Commission under the Commonwealth Electoral Act 1918.

11.47 The Joint Select Committee on Electoral Reform's 1986 Report - 'The Operation During the 1984 General Election of the

12. Evidence, p. 800.

1983/4 Amendments to Commonwealth Electoral Legislation'
recommended that:

... broadcasters', publishers' and printers' returns be required for the sole purpose of cross-checking against returns by participants (political parties, candidates, Senate groups and 'third parties') and not for providing statistical information for other purposes. As less detail will be required from these returns, they should be furnished sooner. Public broadcasters should continue to make returns. 13

11.48 Since the 1983 Federal Election neither the ABT nor the AEC have collected such detailed information.

11.49 The Committee is concerned that statistics on paid political advertising are no longer maintained and after consideration of the matter believes the ABT is the appropriate body to collect statistics on the time allocated for political matter on radio and television during election periods.

The Committee recommends that:

The Australian Broadcasting Tribunal should resume collection of statistics on total time of telecasts and broadcasts of political matter on television and radio stations during election periods. (Recommendation 14)

Michael J Lee, MP
Chairman
29 June 1989

13. Recommendation 124, p. 174.

DISSENTING REPORTS

- . Dissent by Mr Michael Cobb, MP,
Senator James Short and
Dr Michael Wooldridge, MP
- . Dissent by Senator Brian Harradine
- . Dissent by Senator Jean Jenkins

DISSENTING REPORT OF MR MICHAEL COBB, MP, SENATOR JAMES SHORT,
DR MICHAEL WOOLDRIDGE, MP

We do not wish to be identified in any way with the central recommendations outlined in this Report, except in relation to our total rejection of them.

We oppose these recommendations because:

- they seek to solve problems created by the past actions of the Government by introducing new and potentially more serious problems;
- they intrude upon basic freedoms;
- they introduce new and unwarranted increments of regulation for broadcasters, parties and other groups in the community;
- in most cases the recommendations are not justified by the evidence presented to the Joint Standing Committee but are little more than thinly-disguised acceptance of the basic demands of the ALP submission.

If the work of the Joint Standing Committee on Electoral Matters is to have any continuing credibility its recommendations must be free of any charges of partisanship and must be fully supported by the most rigorous analysis of all available evidence.

Respect for the electoral process is essential in a democracy. This cannot be maintained if the process is subjected to arbitrary changes based on partisan political interests. No

radical departures from existing procedures should be recommended unless they:

- seek to correct real problems of concern to all parties and to the interested public;
- have support across Party lines and are not aimed simply at the interests (or against the interests) of one Party or group of parties;
- are supported by research and relevant evidence;
- take proper account of possible unintended consequences for the political and electoral processes, political parties, other voluntary groups, and the rights of individuals.

We repeat that our opposition is to the general overall thrust of the Joint Committee's Majority Report recommendations.

Nevertheless, we believe that it is necessary to identify some specific concerns with the Majority Report.

1. We disagree with the assertion (paragraph 2.6) that "the issue of political advertising and in particular a proposal for the extension of free political advertising to commercial radio and television put forward by the Labor Party" was of sufficient importance to require the preparation of a report "examining these issues in detail".

The report was not the result of an investigation held in response to public interest or demand. Indeed, there is little evidence of any public interest at all. Rather, the investigation was simply a response to the expressed political demands of one party. At the very most, all that should be expected from the Joint Committee is a paper outlining the cases for and against the measures proposed, but certainly not including specific recommendations for

action.

We do not believe that the Majority Report does treat the issues in sufficient detail. Further, the inclusion in the report of recommendations, which thus give the Joint Committee's imprimatur to certain policy directions, is not justified.

2. The increasing costs of radio and television advertising and the increased amounts that the parties have been able to raise and spend do not lead logically to the conclusion (in paragraph 3.7) that "thus the democratic process has become increasingly dependent on who can raise the substantial funds needed".

The Joint Committee has seen no evidence of a correlation between electronic advertising and election outcomes. There might even be an inverse correlation. The fact that the parties have been prepared to spend more money on this form of campaigning might simply indicate that they are prepared to waste their resources. There are no sound reasons for legislation to protect political parties or any other voluntary community organisations against themselves. How they use their resources should be a matter for their own decision.

3. We draw attention to the inconsistencies between paragraphs 3.10 and 4.1. The former is a more accurate statement of fact. Free time is currently provided by commercial television and radio stations as well as by the Australian Broadcasting Corporation (ABC). The commercial stations provide this as a voluntary service to the parties and to the public. They are under no obligation to provide this service, nor should they be.

4. It is clear that the provision of "free" time does involve a cost to the provider. Indeed, the report itself notes one important aspect of this cost. In paragraphs 11.17 and 11.18 it is noted that an internal review by the ABC found that the screening of political broadcasts causes a loss of audience and that this loss does not seem to be recovered on the day of the broadcast. This "turn off factor" is also noted by the Federation of Australian Radio Broadcasters (FARB) at paragraph 6.60 and by the Advertising Federation of Australia (AFA) at paragraphs 6.45 and 6.46. It would appear that the audience loss caused by political broadcasts is quite considerable, but this vital factor has been all but ignored in the Joint Committee's majority recommendations.

5. We applaud the decision of the ABC to continue to broadcast electoral material, even though this has been found to be unpopular. This is quite reasonable, given the functions of the ABC and its responsibilities to minority audiences.

The commercial stations, however, serve different functions, have different responsibilities, and operate according to different criteria. Essentially, their function is to entertain and the basic criteria for the measurement of their success are audience ratings and commercial viability. The figures provided by the ABC demonstrate that to force the commercial stations to broadcast political matter is to force them to operate counter to these criteria.

Under these circumstances, the political parties should be grateful for any "free" time that the commercial stations currently make available. The parties are abusing their privileged position in the legislative process if they force the commercial stations to make a greater contribution than that which they already make voluntarily.

6. The treatment of international comparisons is inadequate except as very superficial background. It certainly does not contribute anything of value to the Majority Report of the Joint Committee.

Apart from the superficiality of this treatment, the final General Comments (paragraphs 5.38 and 5.39) are simply not supported. A much more thorough and comprehensive study of the broadcasting and party regimes and traditions is necessary before it is possible to reach any sort of conclusion, based on international comparisons, either in support of or in opposition to the sort of radical recommendations made by this report.

It is noted that Table 5.1, in fact, shows that, of the four countries with which Australia is commonly compared, USA, UK, Canada and New Zealand all allow paid political advertising. It is not thought that what happens in Israel or Finland is of great relevance to Australia.

Further, it tells us nothing that "it is the view of the Committee [or some members of it] that Australia's system of political broadcasting is 'probably' the most laissez-faire". Even if this had been demonstrated by a serious study, it might lead simply to the conclusion that the existing Australian democratic electoral process, relatively free from regulation, has much to teach and little to learn from the rest of the world.

7. More seriously, the international comparisons simply overlook or fail to explore overseas practices which offer options different in character from the demands of the Labor Party submission on which the report is based.

In paragraph 5.29, for example, it is noted that "each of the political parties in Germany has adopted self-imposed ceilings on financing of election campaigns due to the cost to their party members". This form of self-regulation is far superior to the system of enforced controls and bureaucratic regulations as proposed by the Labor Party and adopted by the Joint Committee's Majority Report.

8. The absence of consensus among the major parties is best demonstrated in the terminology of the Labor Party submission as repeated in the report (at paragraph 6.8).

This states that "time should be allocated at no cost to the parties" and that "the broadcasters should bear the cost". We believe that the political parties must bear their own costs. Again, it is an example of the parties abusing their privileged position in the legislative process to simply pass their costs onto someone else - either the public or the broadcasters.

9. Further, we totally reject the proposition in the Labor submission (and quoted without comment in the report at paragraph 6.8) that political advertising should be seen as a form of "community service announcement".

Many different organisations have to advertise to promote their products, their services or their views. Many of these could argue that their advertising constitutes a form of community service announcement. In this respect, the difference between political parties and these other organisations is that the others do not have the same access to the legislative processes so that they can make laws to pass their costs onto the community.

The community will justifiably see the Labor proposition as patronising and self-seeking. Without it, however, the Joint Committee's recommendations cannot be sustained.

We cannot accept this proposition and wish to express our rejection of it in the clearest possible terms.

10. We agree with the Federation of Australian Commercial Television Stations (FACTS) and FARB that, while the television and radio stations have access to the airwaves which are public property, this does not place upon them any social obligation to provide free broadcasting time to political parties (see paragraph 6.50).

A political party is only one of many thousands of voluntary organisations in the community. Today, the parties are numerically smaller than many other voluntary organisations. It is doubtful, moreover, that there would be an overwhelming view amongst the public that the political parties are more deserving or more needy than most other groups, many of which perform a much more immediate and continuing public service. The access of the broadcasters to the airwaves gives them no obligation to the political parties any more than to any other category of voluntary organisations in the community.

As FACTS and FARB imply, a logical connection between access to the airwaves and an obligation to the political parties cannot be sustained - unless it is assumed that the stations are in some way beholden to the political parties for their access.

11. We also agree with the assertion by FACTS that "free advertising is unnecessary as the public are informed through news services, commentaries and interviews in current affairs programs". Australians are well provided with such programs by the television and radio stations, both commercial and the ABC, and this is much to the credit of the stations.

Further, while the political parties show a willingness to pay for political advertisements (the wisdom of which should remain a matter for their own judgement) it seems likely that it is the news and current affairs programs, and not the party advertisements, that provide the information which makes television a significant influence on individual political choices. We have seen no convincing evidence of any correlation between election results and either the quality or the quantity of political advertising on the electronic media.

The political parties freely choose to use some of their resources on this form of campaigning rather than on some other campaign technology. Like any other group, they should not be denied the freedom to make this choice. Having made such a choice, they should not have the power to pass their costs onto other sections of the community.

12. We also agree with the FACTS argument that any privilege gained by their access to the airwaves (at considerable cost in the form of licence fees) is adequately compensated for by existing obligations (such as funding Australian program content, providing children's programs etc.). Such considerations are ignored by the report.
13. Similarly, the assertion by FARB that free time is virtually unworkable because of the "... specialisation by radio stations in competitive markets" (paragraph 6.60) deserves more attention than it has been afforded by the Joint Committee. FARB's expertise on such matters should not be ignored.
14. The Joint Committee's Majority Report has also failed to face the challenge presented by FARB's suggestion that the funds for political advertising might come out of Consolidated Revenue (paragraph 6.60). If political advertising is a social good (an assertion which is inherent in the Labor

Party's demands as taken up by the Joint Committee's report) then the community, rather than a small section of it, should pay.

We reject as absurd the assertion that political advertising is a social good. The existing subsidies to political parties and their campaigns through public funding is sufficiently difficult to justify in terms of public interest, public demand or the priorities of the demands on Consolidated Revenue without another raid by the parties on the pockets of the taxpayer. Therefore, we reject the suggestion that the public should pay, just as we reject the Labor Party's view that anyone other than the parties themselves should pay for their own advertising.

ALLOCATION OF FREE TIME

15. If the parties are to be further subsidised by way of free time on television and radio, then much more attention must be given to the problem of devising an allocation formula that is fair to all parties and candidates. The Majority Report of the Joint Committee gives some idea of the lack of consensus among the parties on this question, but it does not come to grips with the enormous complexity of the problem. The majority recommendations of the Joint Committee should be ignored at least until a fair solution to this problem is found and is acceptable to all parties and players in the electoral process.

16. Clearly, the Labor Party suggestions do nothing to solve the problem.

The proposal that allocation be based on the party composition of returning MPs/Senators does nothing more than protect incumbency. It is little wonder that it is Labor's first option. In the 1987 election, the Coalition parties outpolled Labor. Nevertheless, because they won more seats with fewer votes, this option would give Labor the lion's

share of the free time.

The proposal to allocate on the basis of electoral support of registered parties at the previous election would currently be fairer to the Coalition parties, but it has no more logic or equity than Labor's first option.

A combination of these two options also fails any test of logic or equity. An election held up to three years ago is likely to have little relationship to the current political climate, changes in party fortunes, incipient parties, dissolved parties, divisions in parties, emerging issues, single-issue parties or any number of other political factors that can change over a three-year period.

17. We cannot accept the bureaucratic arrangements recommended by the Majority Report (at paragraphs 10.13 to 10.15). We do not need more committees, such as the proposed Party Political Broadcast Committee ("which would be referred to as the PPBC" - see paragraphs 10.14 and 10.15) or the proposed Appeals Committee to rule on disagreements over decisions of the PPBC. These bodies would have to be given wide discretionary powers which would be unacceptable and potentially dangerous in a democratic electoral process. The cure is worse than the disease - if indeed there is a disease.

SPOT AUDITS

18. With regard to spot audits, we stand by the 1986 conclusion of the Joint Select Committee on Electoral Reform (as quoted at paragraph 7.7):

"There is no need for spot audits."

In 1986 it was argued that public funding and forced disclosure necessitated an increment of police power by an authority of the state over free voluntary organisations that was incompatible with our Australian democratic traditions. Furthermore, when the state forces voluntary organisations to disclose the names of their supporters it is trespassing on the rights of privacy and of association.

With public funding and forced disclosure, however, this extension of the power of the state had to be tolerated and the Commission was authorised to exercise investigative functions where there were reasonable grounds to suspect non-compliance with the law.

Spot audits on a random basis at the whim of the Commissioner, however, would introduce a further increment of bureaucratic power that would be intolerable to democracy. The purpose of such spot audits, as expressed by the Commissioner (paragraph 7.14) would be to enable the AEC to say "with a clearer conscience and more confidence" that "everything appears to be satisfactory". This is not sufficient reason to trifle with free, democratic processes.

The Commissioner also said that the issue was "one of balancing the need for disclosure against democracy". We would err on the side of democracy.

19. The introduction of forced disclosure imposed added costs and administrative burdens on the political parties. Some people referred to the public funding laws as "the lawyers and accountants full employment laws". Disclosure forced the parties to have to divert some of their resources and staff from their basic objectives of campaigning and winning elections. The threat of random spot audits would force the parties to have to comply with imposed timetables and would thus exacerbate the problems, especially for small parties and those with limited staffs.

20. We cannot agree that there is anything like "an alarming lack of information" (paragraph 7.15) - who is alarmed? Similarly, we cannot agree that "brave steps must be taken (paragraph 7.15) - 'brave' or 'dangerous'? Thus, we reject the first two of the three Joint Committee recommendations for spot audits as set out in paragraph 7.16.

FULL DISCLOSURE

21. We find the third recommendation in paragraph 7.16 to be even more offensive. This requires a party to disclose all of its income and expenditure. This is elaborated upon in paragraph 10.3, which states that the Committee believes "all political parties should be required to disclose all donations, whether they are for Federal, state or local campaigns or for other non-campaign purposes".

Where a party accepts public funds for its election campaigns then some sort of case can be made for obliging it to disclose its campaign expenditures and perhaps those donations intended for campaign purposes. There is no case, however, for forcing any voluntary organisation to disclose all of its income and expenditure.

This sort of detailed information about a political party could not be of interest or value to anybody, except perhaps the party's political opponents.

22. The existing public funding provisions include an important safety valve which enables party supporters to give to the maintenance costs, as opposed to the campaign costs, of the party of their choice without fear of the inherently intimidatory aspects of the disclosure requirements.

To clarify our apprehension about full forced disclosure, we repeat the minority report presented by Senator the Honourable Sir John Carrick to the Report of the Joint Select Committee on Electoral Reform, dated 5 September 1983:

Disclosure inevitably is intimidatory. To an otherwise secret ballot, it forces the donor to reveal the direction of his support. It has an in-built duress. It carries the implied threat that it would be wise for the donor to give an equal amount to all political parties (a thrust which has no doubt not escaped the notice or, indeed, motives of some who advocate disclosure).

It is a strong deterrent against private or corporate donation. It provides a ready-made and published 'hit list' available for punitive action by a mean-minded and vengeful government. President Nixon's so-called 'enemies list' as revealed by the Watergate inquiry reveals the grave dangers of the corrupt use of the list of disclosed donations.

Political parties are and should remain essentially voluntary organisations. They should be encouraged (and not deterred) to seek their funds from the community at large.

For these reasons, we believe that the safety valve of non-disclosable maintenance donations should be preserved. It should be noted, that the pressure that such disclosure would provide on business to donate equally to both parties, would not apply to the trade union movement. Thus, the ALP would be safeguarding and enhancing its financial base, while threatening the revenue of the Liberal and National parties.

23. It is noted that the provisions of the NSW public funding laws, which required full disclosure, were found to be unsatisfactory and were changed by the former Labor State Government to permit non-disclosable maintenance support.

THIRD PARTIES

24. The terminology used by the Joint Committee's Majority Report in relation to 'third parties' is confusing. Third parties are described (paragraph 7.17) as "persons or organisations other than registered political parties, candidates or Senate groups who, during the disclosure period related to an election, incur expenditure for a political purpose in relation to the election". This definition could extend to any person or organisation who incurs any expenditure to express a view on an issue relevant to the election.

Thus, as any person or organisation must be free to express a view on an election issue, and if they feel sufficiently strong about this view they may pay to publicise it, any person or organisation is potentially subject to investigation by the Australian Electoral Commission (AEC).

25. In opposing the introduction of public funding and forced disclosure, the Liberal party argued that it would be impossible effectively to control collateral advertising by groups affiliated or identified with the parties. We note that the Joint Committee concedes that under existing legislation 'third parties' intent on avoiding disclosure will probably find "some circuitous means of achieving their objectives".

We believe that the measures recommended now by the Majority Report of the Joint Committee will not overcome this problem.

26. Not only would these proposals fail to meet their stated objectives, they would intrude on the rights of non-party organisations. A trade union, for example, historically affiliated with the Labor Party, should be free to comment on an industrial relations issue that may arise during an election campaign without fearing a spot audit by the AEC.

27. Such spot audits would be permitted under the recommendation at paragraph 7.36. Spot audits of political parties are unacceptable enough, but spot audits of other voluntary organisations or persons by an instrument of the state simply because they pay to make a political comment is a thoroughly deplorable intrusion on, and a disincentive to, free speech.

28. Similarly, just as we have objected to laws which require political parties to disclose their income and expenditure and the details of their supporters, we vigorously oppose the imposition of such draconian provisions against other persons and organisations.

Freedom of association implies privacy of association. There are many good reasons that a person might wish to maintain the secrecy of his/her membership or support for an organisation and not want to have it disclosed and on the public record simply because that organisation takes a stand on a political issue or principle.

29. For these reasons, we object to the recommendations contained in paragraphs 7.30, 7.33, 7.34 and 7.36.

The problem of 'third parties' is real and these were identified when public funding and disclosure were first contemplated. It would appear that the problems simply have to be lived with. Again, the cures as recommended by the Majority Report are worse than the disease.

COSTS

30. Chapter 8 of the Joint Committee's Majority Report on "Cost" adds nothing useful. It is largely selective and deceptive in its treatment of funding in other political cultures, such as Japan and the United States. The reference to Watergate in paragraph 8.6, for example, fails to note that the infamous 'enemies list' was made possible by the requirement for the disclosure of political donations.

31. Attention is drawn to paragraph 8.9, which concedes that "there is no firm evidence of corrupt practice in Australian political fundraising". The Majority Report ignores the wise political maxim: "if it's not broke, don't fix it".

The Majority Report of the Joint Committee also notes in the same paragraph that it believes that the substantial increase in the cost pressures of campaigning creates the potential for corrupt practices.

While this may be so, the Majority Report cannot overlook the fact that corruption is a term that is generally associated with the misuse of public rather than private money, and therefore that public funding rather than increasing campaign costs presents a greater danger of corruption.

Further, the Majority Report cannot lightly overlook the potential for corruption presented by the bureaucratic structures with extraordinary discretionary powers such as those recommended by this Report.

OPTIONS

32. The Majority Report of the Joint Committee has not dealt adequately with the options that it presents in Chapter 9 and, in view of the superficial nature of the treatment, it is unlikely that all the available options have been considered.

33. There has been a failure to explore the full implications of the considered options, eg., paragraph 9.2 (Increased Public Funding) tentatively raises the possibility that campaign costs could rise "once it became established that the burden would be placed on the taxpayers". There is no doubt that the money spent by the parties on campaigning has increased sharply since the parties were assured of extra revenue through public funding, and there is no proof that it is not a consequence of public funding. Campaigning is a serious business, and if there is more money available the parties will spend it. The provision of free time will not necessarily save the parties money. They will probably simply spend it on other campaign technologies.

34. Similarly, the Majority Report of the Joint Committee fails to explore the possible unintended consequences of its own recommendations. The impact on participation of full disclosure of all donations to political parties and the impositions on "third parties" in particular should be examined fully.

We should encourage all forms of political participation in a democracy, not discourage it, but there is at least circumstantial evidence that forced disclosure has discouraged some potential donors to participate through fear of the possible intimidatory consequences of disclosure.

FEDERALISM

35. The Joint Committee's Majority Report overlooks the realities of the Australian Federal system and seeks to give the Commonwealth machinery (the AEC) authority over state elections.

Paragraph 10.3, for example, proposes free time for state as well as federal elections and makes the parties' activities in state elections subject to the conditions and policing powers of the AEC.

Similarly, paragraph 10.5 requires the parties to disclose donations for state and local elections.

It is doubtful that these matters fall within the proper jurisdiction of the Joint Committee. It is even more doubtful that the centralising effect of these recommendations on the parties and the party system would be in the best interests of our political processes.

POLICY SPEECHES

36. We cannot accept the assertion (at paragraph 11.6) that live coverage and a packaged campaign launch should be made one of the conditions of having a licence. We would have liked the Majority Report to be more positive in its rejection of this proposal from the John Singleton Advertising Agency.

CONCLUSIONS

37. This Report comes nowhere near justifying its major recommendations that:

- there be no paid political advertising on radio or television from date of Issue of the Writs to polling day;
- that, in addition to the subsidies they receive in the form of public funding, political parties be given free time at the cost of the television and radio stations;
- that the authority of the Australian Electoral Commission be extended to give it greater discretionary powers over political parties and other voluntary organisations.

We reject all these recommendations.

Further, as the consequences of the Joint Committee's recommendations in this report are enormous for all parties and candidates, and even for people and organisations that are only peripherally involved in politics, we urge that no action be taken on these recommendations until some reasonable degree of consensus is reached among the participants in the electoral process.

Finally, given that the initial justification for the Report is dubious and the recommendations unsubstantiated, it is difficult to see any other reason for this report than to advantage the ALP at the expense of the Liberal and National parties.

We reject it totally.

Mr Michael Cobb, MP

Senator James Short

Dr Michael Wooldridge, MP

29 June 1989

**DISSENT BY SENATOR BRIAN HARRADINE
TO RECOMMENDATIONS RELATING TO CERTAIN REQUIREMENTS ON THE
ELECTRONIC MEDIA TO BROADCAST FREE POLITICAL ADVERTISEMENTS**

I wish to dissent from Recommendation 8 (paragraphs 1.19 and 9.17) which provides for a system of allowing free time for "political broadcasting" on commercial TV and radio at election times.

This recommendation is unlikely to achieve its stated objectives of ensuring that voters who follow the electronic media are adequately informed of the issues at stake in any election and of releasing political parties from an implied reliance on major donors.

Readers of this report will have observed that whilst the phrase "political broadcasting" is used in the recommendation, "political advertising" is the phrase most often and more accurately used throughout the report when dealing with this issue.

Voters who rely on the electronic media for information should indeed have the opportunity to hear the considered views of political parties and candidates on major public policy issues of concern to those voters, particularly before an election.

During elections, those voters hear such views, for the most part, via the 10 second TV or radio news grabs, the TV policy launches (which are becoming more razzamatazz), and most typically, through political advertisements which are, in most cases, sheer sloganeering.

Attempts, sometimes quite successful, are made by current affairs producers to encourage among political leaders and candidates in-depth debate on issues. The agenda for these debates, however, is most often set by the political parties themselves. The use and abuse of the electronic media by party machines has fostered the dominance of "image first" party politics, and has reduced the ability of voters to effectively challenge the views of parties and candidates. In my view, there should be greater access given to viewers and listeners to enable them to question political parties and candidates on the issues of concern to those voters. If a system of free time were devised for this purpose it would deserve favourable consideration.

Frequently, elections in Australia come and go without the voters knowing the views of political parties or candidates on many issues which they consider important.

The recommendation will not rectify this problem. It will, in my view, merely exacerbate it. The political parties will not be required to pay for the cost of such "free" advertising time on TV or radio. If this recommendation is implemented, they will be able to use the money saved to produce more advertisements at even greater expense. Thus they will be able to afflict on viewers lavishly produced political advertisements which will entrench image over substance, making the most expensively produced motor car or beer commercials pale into insignificance.

It should be noted that there is no recommendation in the report which addresses the format requirements of free time political broadcasts as exists in some other countries or indeed as exists here for ABC free time. Nor is there any recommendation in the report which imposes either an overall ceiling on the amount of money which political parties or candidates can spend during the election period or even a ceiling on the production costs of their TV and radio political advertisements.

If the money saved from purchased broadcast time is used merely for Cecil B. DeMille policy launches, or to produce a myriad of TV and radio commercials which become extravagant exercises in political sloganeering, or is diverted to other forms of electioneering propaganda, then the political parties, as the report seems to imply, will remain dependent on their major donors.

In these circumstances, the second objective which the recommendation seeks to achieve will not be realised.

As to Recommendation 11 (paragraphs 1.44 and 11.24), I agree that the commercial electronic media should be required to broadcast free of charge, at reasonable times, details of the policy speeches of the major parties. However, it would be unfair for this time to be additional to the free time allocated to those parties.

Recommendation 13 (paragraphs 1.50 and 11.44) seeks to dilute current legislative requirements for political advertisements to be unmistakably identified. A one-second visual at the end of a political advertisement is insufficient for this purpose, particularly if subtle, sophisticated advertising techniques are employed by party machines to denigrate the views of other candidates.

None of the above should be interpreted as a reflection on any of my colleagues on the Committee. Far from it. As with other Parliamentary Committees, members have had to plough through a stack of material and it is to the credit of the Chairman and the Staff of this particular Committee that, overall, its report is well-written and researched.

Senator Brian Harradine
14 July 1989

DISSENT BY SENATOR JEAN JENKINS

DISSENT to Recommendation 13 (Paragraphs 1.50 and 11.44)

I disagree that the appearance of the official logo or name of a party or candidate appearing for one second at the conclusion of a radio or TV advertisement will provide sufficient identification for purposes of the Broadcasting Act 1942 and the needs of the listening audience.

I propose instead that the Act be amended to require identifying material to appear for one second at the commencement of the advertisement and to be repeated for a further one second at the conclusion of the advertisement.

RESERVATION in respect to Paragraphs 10.18 and 10.19 -

I believe the formula used to allocate public funding at the 1984 and 1987 elections needs close investigation by the proposed PPBC to ensure that, if applied to the allocation of free advertising time, it would not discriminate unduly to the advantage of a party based on a single state and to the comparative disadvantage of a party having an organisation and candidates in a number of states and territories. The PPBC should not be encumbered with restrictive guidelines but should be authorised to make its own judgements in line with perception of contemporary facts and needs.

Senator Jean Jenkins
10 July 1989

APPENDICES

Appendix A

Joint Select Committee on Electoral Reform

Terms of Reference

To inquire into:

- (i) radio and television broadcasting of election material including:
 - . statutory provisions concerning election broadcasting and televising, and
 - . the provision of "free" radio and television time for political messages during election periods,
- (ii) standards governing political advertising,
- (iii) provisions of the Commonwealth Electoral Act 1918 concerning the defamation of candidates for election,
- (iv) the conduct of ballots and elections by the Australian Electoral Office under the Conciliation and Arbitration Act 1904, and related matters, and
- (v) tax deductibility of political donations.

Appendix B

Joint Select Committee on Electoral Reform

During the Electoral Reform Committee's Inquiry submissions were received from the following individuals and organisations:

<u>Submission Number:</u>	<u>Individual/Organisation, Date:</u>
1	Letter dated 13 October 1986 and attachments from the Electoral Commissioner, Australian Electoral Commission, Dr C A Hughes.
2	Letter dated 15 September 1986 and attachment from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
3	Letter dated 23 September 1983 and attachments from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
4	Letter dated 8 October 1986 and attachments from the Deputy Federal Director, Federation of Australian Radio Broadcasters, Mr J M Rushton.
5	Letter dated 3 October 1986 and attachment from Professor of Politics, La Trobe University, Professor Joan Rydon.
6	Letter dated 13 August 1986 from Mr J C Veszely, Nollamara, WA.
7	Letter dated 31 October 1986 and attachment from the President, League of Women Voters of Victoria, Ms Shirley Horne.
8	Letter dated 29 October 1986 and attachment from Executive Director, Media Council of Australia, Mr G P Auld.
9	Letter dated 29 October 1986 and attachment from Deputy Director, Advertising Federation of Australia Ltd, Mr D Jackson.
10	Letter dated 28 October 1986 and attachment from the General Manager, Australian Broadcasting Tribunal, Mr M G Moxey.

- 11 Letter dated 16 December 1986 and attachment from the Federal Director, The Liberal Party of Australia, Mr T Eggleton.
- 12 Undated letter and attachment from the Minister for Communications, the Hon. M Duffy, MP.
- 13 Letter dated 29 January 1987 and attachments from the First Assistant Secretary, Taxation Policy Division, The Treasury, Mr A J Preston.
- 14 Letter dated 31 May 1985 and attachments from the Department of Economics, WA, Mr A J Fischer.
- 15 Letter dated 24 June 1985 from the Premier of Western Australia, the Hon. B Burke, MLA.
- 16 Submission dated 15 October 1986 from the Federation of Australian Commercial Television Stations.
- 17 Submission dated February 1984 from the Federation of Australian Radio Broadcasters.
- 18 Letter dated 6 March 1987 and attachments from the Attorney-General, the Hon. L Bowen, MP.
- 19 Letter dated 18 March 1987 and attachments from the Supreme Court, Sydney, Mr Justice D Hunt.
- 20 Submission dated February 1987 from the Federation of Australian Commercial Television Stations.
- 21 Letter and attachment from the Secretary to the Treasury, Mr B W Fraser.

Submissions received for the Inquiry into the Conduct of the 1987 Federal Election and 1988 Referendums

<u>Submission Number:</u>	<u>Individual/Organisation, Date:</u>
1.	Letter dated 21 February 1988 from Mr Max Glenn.
2.	Letters dated 24 February 1988 and 12 May from Mr M Z Forbes.
3.	Letter dated 26 February 1988 and attached submission from Mr Ian Bacon.
4.	Letter dated 24 February 1988 and attachment from Mr Peter A Laing.
5.	Letter dated 8 March 1988, and attachments from Mr Malcolm Mackerras.
6.	Letter dated 10 March 1988 from Mr Michael T Skully.
7.	Letter dated 10 March 1988 from Executive Officer, United Graziers' Association of Queensland, Mrs C F Innes.
8.	Letter dated 14 March 1988 from the President, Pensioner Party of Australia, Mr Neil McKay.
9.	Letter dated 24 March 1988 and submission from Mr R C Robertson.
10.	Letter dated 25 March 1988 from the General Secretary, National Party of Australia - (W.A.) Inc., Mr R E Bird.
11.	Letter dated 31 March 1988 from Senator Robert Hill.
12.	Letter dated 30 March 1988 from the Member for Denison, Mr Duncan Kerr, MP.
13.	Letters dated 5 April 1988 and attachment from Mr Gerald D Bisher.
14.	Letter dated 5 April 1988 from Mr Colin Graham Smith.

15. Letter dated 31 March from the Executive Director, National Farmers' Federation, Mr Rick Farley.
16. Letter dated 6 April 1988 from Mr H E Seward.
17. Letter dated 12 April 1988 and submission from G F Smith.
18. Letter dated 15 April 1988 from the President, Independent E.F.F., Mr Joe Bryant.
19. Letter dated 15 April 1988 from the President, SBP - State Council Inc., Mr Paul Greenwood.
20. Letter dated 14 April 1988 and submission from Mr David Patton.
21. Letter dated 15 April 1988 and submission from the Secretary, The Nuclear Disarmament Party, Mr Hugh Pitty.
22. Letter dated 11 April 1988 and two attachments from the Director, Operations Branch (Victoria), Mr Trefor Owen.
23. Letter dated 14 April 1988 from the Member for Bradfield, Mr David M Connolly, MP.
24. Letter dated 13 April 1988 from the Member for Sturt, the Hon. Ian Wilson, MP.
25. Letter dated 15 April 1988 from J H Lindsay.
26. Letter dated 29 April 1988 and attached submission from the National Secretary, Administrative and Clerical Officers' Association, Mr Peter Robson.
27. Letter dated 23 April 1988 and attached submission from Mrs L Hay.
28. Letter dated 1 September 1988 and two attachments from the National Secretary, Australian Labor Party.
29. Letter dated 31 May 1988 and submission from the Federal Director, The Liberal Party of Australia, Mr Tony Eggleton.
30. Letter dated 19 September 1988 from Mr Robert C Sheezel.
31. Letter dated 13 September 1988 from Mr Philip Holberton.

32. Letters dated 23 September 1988 and 28 September 1988 and attachments from the Australian Electoral Commission.
 - . The Conduct of the 1987 Election
 - . Audit of Six Commonwealth Electoral Divisions following 11 July 1987 Federal Election. (Copies of the report which is the subject of the submission).
 - . Referendum 1988. Production and Distribution of the Yes/No Cases Pamphlet.
 - . Referendum 1988. Yes/No Case Pamphlet - Content and Format
 - . The Formality of Referendum Votes Marked with Ticks and Crosses
33. Letter dated 16 September 1988 from Ms Joan McWhirter.
34. Letter dated 25 September 1988 from Deputy Returning Officer, Division of Gellibrand, G Heavside.
35. Letter dated 27 September 1988 from Mr N W Hobson.
36. Letter dated 26 September 1988 from Aubrey H Kotz.
37. Letter dated 29 September 1988 from Mr Charles E Dormand.
38. Letter dated 3 October 1988 from J S Sheehan.
39. Letter dated 4 October 1988 from Mrs P Dabitz.
40. Letter dated 11 October 1988 and attachment from the Electoral Commissioner, Australian Electoral Commission, Dr Colin Hughes.
41. Letter dated 11 October 1988 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin Hughes.
42. Letter dated 10 October 1988 from the Chairman, Voters Veto - Riverina Group, Mr Stuart Watson.
43. Undated letter from Senator Jo Vallentine, Western Australian Senator for Nuclear Disarmament.
44. Letter dated 11 October 1988 from Mr W A Jackson.

45. Letter dated 17 October 1988 and attachment from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
46. Letter dated 12 October 1988 from the Federal President, Pensioner Party of Australia, Mr Neil McKay.
47. Letter dated 18 October 1988 and attachments from M H T Jackson.
48. Letter dated 19 October 1988 from Mr Lionel A Stuckey.
49. Letter dated 17 October 1988 from the Acting Attorney-General, Senator the Hon. Michael Tate.
50. Letter dated 21 October 1988 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
51. Letter dated 21 October 1988 from the Director, National Party of Australia, Mr Paul Davey.
52. Letter dated 20 October 1988 and attachment from the Deputy Leader of the Australian Democrats, Senator Michael Macklin.
53. Letters dated 8, 16 and 19 October 1988 from Mr Dan Paterson.
54. Letter dated 25 October 1988 and attachment from the Australian Electoral Commission.
55. Letter dated 28 October 1988 and attachments from the Electoral Commissioner, Dr Colin A Hughes.
56. Letter dated 26 October 1988 from the Premier of New South Wales, The Hon. N F Greiner, MLA.
57. Letter dated 1 November 1988 and attachments from the Electoral Commissioner, Dr Colin A Hughes.
Attachment:
 - Carpentaria Pty Ltd
58. Letter dated 26 October 1988 from the General Secretary, National Party of Australia, Ms Jenny Gardiner.
59. Letter dated 28 October 1988 from Senator the Hon. Peter Baume.

60. Letter dated 3 November 1988 from the Federal Director, The Liberal Party of Australia, Mr Tony Eggleton.
61. Letter dated 3 November 1988 and attachment from the Australian Electoral Commission.
Attachment:
 - Response to Liberal Party Submission of 31 May 1988 (No.29)
62. Letter dated 7 November 1988 and attachment from the Australian Electoral Commission.
Attachment:
 - Undermining Electoral Integrity - Preliminary Report
63. Letter dated 4 November 1988 from the Secretary, the Yarra Valley University of the Third Age (USA), the Hon. Gordon M Bryant.
64. Letter dated 10 November 1988 and attachment from the Australian Electoral Commission.
Attachment:
 - Response to the Liberal Party's Further Submission to the Inquiry into the Conduct of the 1988 Referendums.
65. Letter dated 15 November 1988 and attachments from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
Attachments:
 - Attachment A: Tally sheet - Oxley By-election
 - Attachment B: Cost of Overseas Postal Voting at the 1987 Federal Election
 - Attachment C: Annotated copy of s.331 of the Electoral Act
 - Attachments D - E: Legal advisings
66. Letter dated 14 November 1988 from Mr Marshall Perron, Chief Minister.
67. Letter dated 12 November 1988 from Mr Harry Rachkind.

68. Letter dated 21 November 1988 and attachments from Mrs F Moulding.
69. Letter dated 21 October 1988 and attachments from Mr Rodney Van Wegen.
70. Letter dated 29 November 1988 and attachments from the Australian Electoral Commission.
71. Letter dated 28 November 1988 from the Federal Director, The Liberal Party of Australia, Mr Tony Eggleton.
72. Letter dated 29 November 1988 from Hon. Secretary, Mitchelton Heights Branch, (Qld), Australian Labor Party, S J Kenshaw.
73. Letter dated 2 December 1988 and attachment from the Australian Electoral Commission.
Attachment:
 - 1988 Referendum - Audit of Divisional Operational Procedures
74. Letter dated 30 December 1988 and attachment from the Australian Electoral Commissioner, Dr Colin A Hughes.
Attachment:
 - 1987 Enrolment Transactions 4 months preceding close of roll and close of roll rush
75. Letter dated 3 January 1989 from the Divisional Returning Officer for Warringah, Ms Janet Champion.
76. Letter dated 13 January 1989 and attachments from the Member for Ryan, the Hon. John Moore, MP.
77. Letter dated 14 January 1989 and attachment from Ms Evelyn Ferster.
78. Letter dated 13 January 1989 from the Divisional Returning Officer for Parramatta, Mr Ivor W Jones.
79. Letter dated 12 December 1988 from the Secretary, Miranda Branch of the Australian Labor Party, Mr Tony Iffland.
80. Letter dated 20 January 1989 from the Divisional Returning Officer for Swan, N C Pember.

81. Letter dated 27 January 1989 from the Divisional Returning Officer for Moreton, Mr Peter W Spelman.
82. Letter dated January 1989 from the National President, Australian Democrats, Mrs Heather Southcott.
83. Letter dated 3 February 1989 from the Divisional Returning Officer for Forde, G F Smith.
84. Letter dated 3 February 1989 from the Divisional Returning Officer for McPherson, Mr Mark Lamerton.
85. Letter dated 7 February 1989 from the Managing Director, Australian Broadcasting Corporation, Mr David Hill.
86. Letter dated 7 February 1989 from the Federal Director, Federation of Australian Radio Broadcasters, M J Hartcher.
87. Letter dated 6 February 1989 from the Divisional Returning Officer for Kingsford-Smith, Mr Rene Montano.
88. Letter dated 9 February 1989 from the Director, National Party of Australia, Mr Paul Davey.
89. Letter dated 9 February 1989 and submission from the Group Account Director, John Singleton Advertising, Mr Bob Cornish.
90. Letter dated 10 February 1989 from the Federal Director, Federation of Australian Commercial Television Stations, Mr David Morgan.
91. Letter dated 9 February 1989 and submission from the Attorney-General, the Hon. Lionel Bowen, MP.
92. Letter dated 17 February 1989 and submission from the Federal Director, The Liberal Party of Australia, Mr Tony Eggleton.
93. Letter dated 16 December 1986 and submission from the Federal Director, The Liberal Party of Australia, Mr Tony Eggleton.
94. Letter dated 17 March 1989 from the Secretary, Attorney-General's Department.
95. Letter dated 21 March 1989 from the Australian Electoral Commissioner, Dr Colin A Hughes.

96. Letter dated 23 March 1989 and letter dated 13 August 1986 from Mr John C Vessely.
97. Letter dated 28 March 1989 and letter and submission dated 29 October 1986 from the Deputy Director, Advertising Federation of Australia Limited.
98. Letter dated 31 March 1989 from the President, Administrative Appeals Tribunal, T R Hartigan.
99. Letter dated 30 March 1989 and letter and submission dated 3 October 1986 from Professor of Politics, La Trobe University, Ms Joan Rydon.
100. Letter dated 15 March 1989 and submission from Mrs Joan Chambers.
101. Submission dated 10 April 1984 from the Federation of Australian Commercial Television Stations. (Appendix A dated July 1983 attached).
102. Submission dated 15 October 1986 from the Federation of Australian Commercial Television Stations.
103. A supplementary submission (proposed amendments to the Broadcasting Act and the Electoral Act) dated February 1987 from the Federation of Australian Commercial Television Stations.
104. Letter dated 5 April 1989 from Mr Morris Forbes.
105. Letters dated 24 April 1984, 28 October 1986 and 11 April 1989 from the Australian Broadcasting Tribunal.
106. Letter dated 11 April 1989 from the Chief Executive Officer, Media and Entertainment, Qintex Media, Mr Bob Campbell.
107. Submission (received 14 April 1989) from The Australian Television Network (The Seven Network).
108. Letter dated 14 April 1989 and attachment from Ms Helen Williams, Associate Secretary, Department of Transport and Communications.
109. Letter dated 21 September 1988 and attachments from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.

110. Letter dated 23 March 1989 and attachments from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
111. Letter dated 14 April 1989 from the Federal Director, Federation of Australian Radio Broadcasters, Mr Martin Hartcher.
112. Letter dated 19 April 1989 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
113. Letter dated 21 April 1989 and attachments from First Assistant Secretary, Broadcasting Policy Division, Department of Transport and Communications, R N Smith.
114. Letter dated 28 April 1989 from the Chief Executive Officer, Media and Entertainment, Qintex Media, Mr Bob Campbell.
115. Letter dated 1 May 1989 and attachments from the Federal Director, The Liberal Party of Australia, Mr Tony Eggleton.
116. Letter dated 3 May 1989 and attachments from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
117. Letter dated 2 May 1989 from the Federal Director, Federation of Australian Commercial Television Stations, Mr David Morgan.
118. Letter dated 15 May 1989 and attachments from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
119. Letter dated 24 May 1989 and attachments from Ms Libby Gladwin, Australian Electoral Commission.
120. Letter dated 22 May 1989 and attachments from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
121. Letter dated 25 May 1989 from the Deputy Electoral Commissioner, Australian Electoral Commission, Mr A Cirulis.
122. Letter dated 10 May 1989 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
123. Letter dated 8 May 1989 from the Premier of Western Australia, the Hon. Peter Dowding, MLA.

124. Letter dated 12 May 1989 from the Director (Programs), Australian Broadcasting Tribunal, Ms J Paramore.
125. Letter dated 21 April 1989 from Assistant Commissioner, Information and Education, Australian Electoral Commission, J S Mahoney.
126. Letter dated 27 April 1989 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
127. Letter dated 3 May 1989 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
128. Letter dated 8 May 1989 from the Electoral Commissioner, Australian Electoral Commission, Dr Colin A Hughes.
129. Letter dated 23 May 1989 from the Divisional Returning Officer for Parramatta, Mr Ivor W Jones.
130. Letter dated 27 May 1989 and attachments from Mr David Patton.
131. Letter dated 31 May 1989 and attachments from the Managing Director, 7HO AM Stereo, Mr Paul Shirley.

The witnesses who appeared before the Joint Standing Committee on Electoral Matters were:

Canberra, Monday 10 October 1988

- . Mr Paul Edwin Dacey, National Projects Coordinator, Australian Electoral Commission, Canberra, ACT
- . Mr David John Farrell, Director, Operations Policy and Coordination, Australian Electoral Commission, Canberra, ACT
- . Dr Colin Anfield Hughes, Electoral Commissioner, Australian Electoral Commission, Canberra, ACT
- . Mr James Scott Mahoney, Assistant Commissioner, Information and Education, Australian Electoral Commission, Canberra, ACT
- . Mr Michael Charles Maley, Director, Computer Services, Australian Electoral Commission, Canberra, ACT
- . Ms Claire Louise Shepherd, Administrative Service Officer, Operations Section, Australian Electoral Commission, Canberra, ACT

Canberra: Tuesday, 25 October 1988

- . Mr Paul Edwin Dacey, National Projects Coordinator, Australian Electoral Commission, Canberra, ACT
- . Mr David John Farrell, Director, Operations Policy and Coordination, Australian Electoral Commission, Canberra, ACT
- . Dr Colin Anfield Hughes, Electoral Commissioner, Australian Electoral Commission, Canberra, ACT
- . Mr Malcolm Hugh Mackerras, 35 Creswell Street, Campbell, ACT
- . Mr James Scott Mahoney, Assistant Commissioner, Information and Education, Australian Electoral Commission, Canberra, ACT
- . Mr Michael Charles Maley, Director, Computer Services, Australian Electoral Commission, Canberra, ACT
- . Ms Claire Louise Shepherd, Administrative Service Officer, Operations Section, Australian Electoral Commission, ACT

Canberra: Friday, 11 November 1988

- . Mr Robert Duncan Hogg, National Secretary, Australian Labor Party, John Curtin House, Canberra, ACT

Canberra: Monday, 21 November 1988

- . Mr Gary John Joseph Humphries, President, Australian Capital Territory Division, Liberal Party of Australia, Blackall Street, Barton, ACT
- . Mr Trefor Huw Owen, 65 Chapman Street, North Melbourne, VIC
- . Ms Julie Pagonis, Industrial Officer, Administrative and Clerical Officers Association, Sydney, NSW
- . Mr Francis Xavier Vassallo, Workplace Delegate, Administrative and Clerical Officers Association, Sydney, NSW

Canberra: Friday, 2 December 1988

- . Mrs Leone Hay, Turrumurra, NSW
- . Mr Warwick Patton, Somersby, NSW
- . Mr Hugh Warwick McRae, Secretary, New South Wales Branch, Nuclear Disarmament Party, Darlinghurst, NSW
- . Mr William Robert Wood, Spokesperson, Nuclear Disarmament Party, Darlinghurst, NSW

Canberra: Thursday, 16 March 1989 *

- . Mr Robert John Cornish, Group Account Director, John Singleton Advertising (Australia) Pty Ltd, Hunters Hill, NSW

Canberra: Friday, 17 March 1989

- . Mrs Elizabeth Anne Gladwin, Director, Funding and Disclosure, Australian Electoral Commission, Canberra, ACT
- . Dr Colin Anfield Hughes, Electoral Commissioner, Australian Electoral Commission, Canberra, ACT
- . Mr Michael Charles Maley, Director, Computer Services, Australian Electoral Commission, Canberra, ACT

Canberra: Friday, 14 April 1989 *

- . Mr Robert Bernard Campbell, Chief Executive, Media and Entertainment, Qintex Group, Brisbane, QLD
- . Mr Desmond Lionel Foster, Consultant, Federation of Australian Radio Broadcasters, Milsons Point, NSW
- . Mr Martin Joseph Hartcher, Federal Director, Federation of Australian Radio Broadcasters, 8 Glen Street, Milsons Point, NSW
- . Mr David Hamilton Jackson, Deputy Director, Advertising Federation of Australia, North Sydney, NSW
- . Ms Ruth Elizabeth Medd, Acting General Manager, Australian Broadcasting Tribunal, North Sydney, NSW
- . Mr Michael Kevin Minehan, Principal Legal Officer, Australian Broadcasting Tribunal, North Sydney, NSW
- . Mr David Morgan, Federal Director, Federation of Australian Commercial Television Stations, Mosman, NSW
- . Ms Janette Frances Paramore, Director, Programs Division, Australian Broadcasting Tribunal, North Sydney, NSW
- . Mr Roger Neil Smith, First Assistant Secretary, Department of Transport and Communications, Canberra, ACT

Note * - indicates public hearings where evidence was taken on the issue of political advertising.

Appendix E

Section 116(3) of the Broadcasting Act 1942

If, during an election period, a licensee broadcasts election matter, he shall afford reasonable opportunities for the broadcasting of election matter to all political parties contesting the election, being parties which were represented in either House of the Parliament for which the election is to be held at the time of its last meeting before the election period.

Appendix F

Australian Broadcasting Tribunal
Television Advertising Conditions

TAC 12 Where, pursuant to s.116 of the Act, a licensee proposes to transmit election advertisements during an election period -

- (i) One additional minute of advertising time in each hour will be allowed for election advertisements provided the licensee can demonstrate that without recourse to this additional time, the relevant political parties would be denied the 'reasonable opportunities' provided for in s.116(3) of the Act.
- (ii) Advertising time displaced by the transmission, free of charge, of the policy speeches of political parties, may be made up between programs (ie. in station breaks only) at the rate of no more than one minute per clock hour in equivalent clock hours over a period of 14 days immediately following the date of telecast.
- (iii) Advertisements relating to the election placed on behalf of the Australian Electoral Office, will be regarded as community service announcements and will be exempted from TAC 11.
- (iv) Foreign language advertisements may be transmitted provided that a translation is given by means of superimposition or a voice-over.

- (v) Political advertisements of at least three minutes duration will not be subject to the advertising time limits set out in TAC 11 and TAC 12(i).

- (vi) Where, due to the shortness of the period between the issuing of the writs for an election and the commencement of the period in which stations are required, under s.116(4) to refrain from transmitting election advertisements, the rules quoted above would not allow for reasonable opportunities for all relevant political parties contesting the election to transmit election advertisements, TAC 13 and TAC 14 will not apply to those licensees served notices under s.116(4) of the Act. This waiver applies from the issue of the writs for the election to the commencement of the period in which stations are required, under s.116(4) to refrain from transmitting election advertisements.

Section 316 of the Commonwealth Electoral Act 1918

Investigation, &c.

316. (1) In this section, "authorized officer" means a person authorized by the Electoral Commission under sub-section (2).

(2) The Electoral Commission may, by instrument in writing signed by the Electoral Commissioner on behalf of the Electoral Commission, authorize a person or a person included in a class of persons to perform duties under this section.

(3) Where an authorized officer has reasonable grounds to believe that a person is capable of producing documents or other things or giving evidence relating to a contravention, or possible contravention, of section 315, or relating to matters that are set out in, or are required to be set out in, a claim or return under this Part, the authorized officer may, by notice served personally or by post on that person, require that person -

- (a)** to produce, within the period and in the manner specified in the notice, such documents or other things as are referred to in the notice; or
- (b)** to appear, at a time and place specified in the notice, before the authorized officer to give evidence, either orally or in writing, and to produce such documents or other things as are referred to in the notice.

(4) An authorized officer may require any evidence that is to be given to him in compliance with a notice under sub-section (3) to be given on oath or affirmation and for that purpose the authorized officer may administer an oath or affirmation.

Amended to 1 January 1988

(5) A person shall not, without reasonable excuse, refuse or fail to comply with a notice under sub-section (3) to the extent that the person is capable of complying with the notice.

Penalty: \$1,000.

(6) A person shall not, in purported compliance with a notice under sub-section (3), give evidence that is, to his knowledge, false or misleading in a material particular.

Penalty: \$1,000 or imprisonment for 6 months, or both.

(7) Where -

- (a) an authorized officer has reasonable grounds for suspecting that there may be, at any time within the next following 24 hours, upon any land or upon or in any premises, vessel, aircraft or vehicle, a document or other thing that may afford evidence relating to a contravention of section 315; and
- (b) the authorized officer has reasonable grounds to believe that, if a notice under sub-section (3) were issued for the production of the document or other thing, the document or other thing might be concealed, lost, mutilated or destroyed,

the authorized officer may make an application to a magistrate for the issue of a warrant under sub-section (8).

(8) Subject to sub-section (9), where an application under sub-section (7) is made by an authorized officer to a magistrate, the magistrate may issue a warrant authorizing the authorized officer or any other person named in the warrant, with such assistance as he thinks necessary and if necessary by force -

- (a) to enter upon the land or upon or into the premises, vessel, aircraft or vehicle;
- (b) to search the land, premises, vessel, aircraft or vehicle for documents or other things that may afford evidence relating to a contravention of section 315, being documents or other things of a kind described in the warrant; and
- (c) to seize any documents or other things of the kind referred to in paragraph (b).

(9) A magistrate shall not issue a warrant under sub-section (8) unless -

- (a) an affidavit has been furnished to him setting out the grounds on which the issue of the warrant is being sought;
- (b) the authorized officer applying for the warrant or some other person has given to the magistrate, either orally or by affidavit, such further information (if any) as the magistrate requires concerning the grounds on which the issue of the warrant is being sought; and
- (c) the magistrate is satisfied that there are reasonable grounds for issuing the warrant.

Amended to 1 January 1988

(10) Where a magistrate issues a warrant under sub-section (8), he shall state on the affidavit furnished to him in accordance with sub-section (9) which of the grounds specified in that affidavit he has relied on to justify the issue of the warrant and particulars of any other grounds relied on by him to justify the issue of the warrant.

(11) A warrant issued under sub-section (8) shall -

- (a) include a statement of the purpose for which the warrant is issued, which shall include a reference to the contravention of section 315 in relation to which the warrant is issued;
- (b) state whether entry is authorized to be made at any time of the day or night or during specified hours of the day or night;
- (c) include a description of the kind of documents or other things authorized to be seized; and
- (d) specify a date, not being later than one month after the date of issue of the warrant, upon which the warrant ceases to have effect.

(12) Where a document or other thing is seized by a person pursuant to a warrant issued under sub-section (8) -

- (a) the person may retain the document or other thing so long as it is reasonably necessary for the purposes of the investigation to which the document or other thing is relevant; and
- (b) when the retention of the document or other thing by the person ceases to be reasonably necessary for those purposes, the person shall cause the document or other thing to be delivered to the person who appears to the first-mentioned person to be entitled to possession of the document or other thing.

Australian Broadcasting Tribunal

Criteria for Success or Failure of Deregulation Period

1. An overall increase in the number or rate of interruption of programs;
2. An increase in the amount of interruption to drama and similar programs beyond three in the half hour and five in the hour;
3. A lack of experiment with fewer breaks in programs;
4. Interruption of feature films more than the current rules allow (one every fifteen minutes);
5. A lack of increased surveys to cover 'non-rating' periods and to cover audience satisfaction with programs and advertisements;
6. Persistence with different advertising practices despite audience objection;
7. Application of a set of standard rules to replace those of the Tribunal; and
8. A decrease in the number of community service announcements broadcast free of charge.

Section 116(6) of the Broadcasting Act 1942

Section 116(6) of the Broadcasting Act currently states that:

"election advertisement", in relation to an election, means - (inter alia)

a) an advertisement -

- (i) that contains election matter that relates to that election; and
- (ii) in respect of the broadcasting of which the relevant licensee has received or is to receive, directly or indirectly, any money or other consideration.

1989 DISCOUNT RATECARD LEVELS
FOR THE SEVEN NETWORKS

<u>\$</u>	<u>NETWORK</u>	<u>SYDNEY</u>	<u>MELBOURNE</u>	<u>BRISBANE</u>	<u>ADELAIDE</u>	<u>PERTH</u>
2.5	1,000,000	350,000	300,000	130,000	100,000	120,000
5.0	2,000,000	700,000	600,000	260,000	200,000	240,000
7.5	3,000,000	1,050,000	900,000	390,000	300,000	360,000
10.0	4,000,000	1,400,000	1,200,000	520,000	400,000	480,000
12.5	5,000,000	1,750,000	1,500,000	650,000	500,000	600,000
15.0	6,000,000	2,100,000	1,800,000	780,000	600,000	720,000
17.5	7,000,000	2,450,000	2,100,000	910,000	700,000	840,000

Australian Television Network Limited, Attachment to submission.

Section 117(1) of the Broadcasting Act provides that:

Where the Corporation or a licensee broadcasts political matter at the request of another person, the Corporation or the licensee shall, immediately afterwards:

- (a) if the matter is broadcast by radio - cause the required particulars in relation to the matter to be announced; or
- (b) if the matter is televised:
 - (i) cause the required particulars in relation to the matter (other than the particulars referred to in paragraph (c) of the definition of 'required particulars' in subsection (4)) to be announced; and
 - (ii) cause all the required particulars in relation to the matter to be transmitted in the form of images of words.

Section 117(4) defines 'required particulars' -

Appendix L

'required particulars', in relation to a political matter that is broadcast, means:

- (a) where the broadcasting of the political matter was authorised by a political party:
- the name of the political party;
 - the town, city or suburb in which the principal office of the political party is situated; and
 - the name of the natural person responsible for giving effect to the authorisation;
- (b) where the broadcasting of the political matter was authorised by a person other than a political party:
- the name of the person who authorised the broadcasting of the political matter; and
 - the town, city or suburb in which the person lives or, if the person is a corporation or association, in which the principal office of the person is situated; and
- (c) in every case - the name of every speaker who, either in person or by means of a sound recording device, delivers an address or makes a statement that forms part of that matter.

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Australian Broadcasting Tribunal

PERCENTAGE DISTRIBUTION OF TIME PURCHASED BY PARTIES AND CANDIDATES FROM COMMERCIAL RADIO STATIONS FOR BROADCASTING POLITICAL MATTER - SECTION FOR SENATE AND HOUSE OF REPRESENTATIVES 1985

	AUSTRALIA			(includes ACT)			VICTORIA			QUEENSLAND			WEST AUSTRALIA			TASMANIA			
	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	
Metropolitan stations																			
Australian Labor Party	28.8	31.8	39.8	42.1	27.3	29.3	33.0	16.1	26.8	26.2	38.5	38.5	37.7	38.6	37.7	38.6	37.7	38.6	
Australian Liberal Party	44.5	42.6	59.8	57.0	64.7	64.9	79.2	68.2	64.8	68.0	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	
National Party	2.7	3.0	0.5	0.9	8.0	5.8	9.3	13.2	-	-	-	-	-	-	-	-	-	-	
Australian Democrats	0.4	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Senator & Murrindin	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Time purchased/charged	74.3	417,996	15	41	132,708	15	53	106,866	11	41	63,766	10	56	51,956	14	6	46,944	6	23
Country stations																			
Australian Labor Party	32.2	32.8	37.8	38.1	32.0	30.7	38.6	30.0	34.5	38.7	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	
Australian Liberal Party	39.8	39.4	33.3	36.1	52.4	50.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	
National Party	21.5	28.5	25.1	22.4	25.9	27.8	34.9	35.4	7.1	4.6	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	
Australian Democrats	0.4	0.3	-	-	0.6	0.5	0.6	0.1	1.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	
Senator & Murrindin	3.2	2.4	2.8	2.3	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-	
Others	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Time purchased/charged	183	22	332,876	72	28	147,483	24	42	56,066	42	9	82,960	11	42	13,630	22	8	18,861	
Metropolitan and country stations combined																			
Australian Labor Party	31.2	32.2	38.1	40.0	32.9	26.3	35.6	24.0	30.8	28.8	32.7	35.7	30.3	31.1	30.3	31.1	30.3	31.1	
Australian Liberal Party	47.5	52.3	59.8	57.0	64.7	64.9	79.2	68.2	64.8	68.0	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	
National Party	17.1	13.2	20.7	11.8	15.8	9.8	29.4	20.8	4.7	7.4	2.1	1.3	-	-	-	-	-	-	
Australian Democrats	0.4	0.3	0.5	1.0	2.7	4.0	0.5	-	-	-	-	-	-	-	-	-	-	-	
Senator & Murrindin	2.3	1.1	2.1	1.2	0.6	0.3	-	-	-	-	-	-	-	-	-	-	-	-	
Others	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Time purchased/charged	257	56	748,872	88	9	280,192	40	36	152,932	53	49	146,724	22	37	65,986	36	8	65,805	

* Less than 0.05 per cent.

1986 submission, p. 36.

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PERCENTAGE DISTRIBUTION OF TIME PURCHASED BY PARTIES AND CANDIDATES FROM COMMERCIAL TELEVISION STATIONS FOR TELEVISIONING POLITICAL MATTER - ELECTION FOR SENATE AND HOUSE OF REPRESENTATIVES 1986

	AUSTRALIA (includes ACT)			NEW SOUTH WALES (includes ACT)			VICTORIA			QUEENSLAND			SOUTH AUSTRALIA (includes NT)			WESTERN AUSTRALIA			TASMANIA		
	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	Time	Charge	
Metropolitan stations																					
Australian Labor Party	39.6	33.6	49.2	34.1	44.8	36.3	25.3	21.0	48.0	36.7	34.2	31.6	46.7	38.1							
Liberal Party	48.8	60.8	30.8	63.9	55.2	63.7	34.7	43.1	52.0	63.3	65.8	68.4	38.7	49.6							
National Party	9.4	5.2	-	-	-	-	39.9	35.8	-	-	-	-	-	-							
Australian Democrats	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Senator B Marredine	2.1	0.4	-	-	-	-	-	-	-	-	-	-	-	-							
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Time purchased/charged	27	2,475,876	4	3	831,101	3	33	712,534	6	23	362,678	4	9	214,909	5	2	259,311	3	50	75,144	
Country stations																					
Australian Labor Party	34.6	30.0	38.4	32.6	29.4	22.0	32.5	32.8	35.1	34.9	37.2	35.5	38.2	33.6							
Liberal Party	32.8	44.0	22.6	41.4	47.4	55.7	18.9	28.5	46.3	45.3	61.8	73.8	38.2	55.4							
National Party	31.8	24.9	38.8	23.9	22.5	22.1	48.5	38.7	18.5	19.5	-	-	-	-							
Australian Democrats	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Senator B Marredine	0.6	0.7	-	-	-	-	-	-	-	-	-	-	-	-							
Others	0.2	0.1	-	-	-	0.6	0.1	-	-	-	-	-	-	-							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Time purchased/charged	67	2	1,037,828	19	43	385,471	12	23	214,509	20	2	248,635	6	16	63,344	6	55	50,376	1	43	63,493
Metropolitan and country stations combined																					
Australian Labor Party	36.0	32.6	40.3	35.0	32.8	33.1	30.8	35.8	40.2	36.2	36.0	30.6	44.1	36.0							
Liberal Party	37.4	55.8	27.4	54.9	49.2	61.9	22.8	37.2	48.6	54.2	69.5	69.2	38.6	52.2							
National Party	25.4	11.0	32.2	8.2	17.5	5.0	46.4	37.0	13.1	4.5	-	-	-	-							
Australian Democrats	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Senator B Marredine	1.0	0.5	-	-	-	-	-	-	-	-	-	-	-	-							
Others	0.2	-	-	-	-	0.5	-	-	-	-	-	-	0.6	0.1							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Time purchased/charged	94	3	3,503,704	23	46	1,216,572	15	56	947,043	26	25	611,313	10	25	280,252	11	57	309,887	5	53	138,637

* Less than 0.05 per cent.

1986 submission, p. 39.