

Defence's Management of Recruitment Advertising Campaigns

Department of Defence

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ISSN 1036–7632 (Print)

ISSN 2203–0352 (Online)

ISBN 978-1-76033-949-4 (Print)

ISBN 978-1-76033-950-0 (Online)

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Canberra ACT
24 June 2024

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Department of Defence. The report is titled *Defence's Management of Recruitment Advertising Campaigns*. I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, reading 'Rona Mellor'.

Rona Mellor PSM
Acting Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

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Contents

Summary and recommendations.....	7
Background	7
Conclusion	8
Supporting findings.....	8
Recommendations.....	9
Summary of entity response.....	10
Key messages from this audit for all Australian Government entities	10
Audit findings.....	13
1. Background	14
Introduction.....	14
Australian Defence Force recruitment.....	16
Previous ANAO audits.....	21
Rationale for undertaking the audit	21
Audit approach	22
2. Defence campaigns — compliance with requirements	23
Were the required review, certification and publication requirements undertaken for the selected campaigns?	27
Were the principles of the Australian Government’s campaign advertising framework adhered to for the selected campaigns?	32
Were the selected campaigns evaluated to determine effectiveness?	44
Appendices	47
Appendix 1 Entity response	48
Appendix 2 Improvements observed by the ANAO	49
Appendix 3 Campaign principles	50



Audit snapshot

Auditor-General Report No.45 2023–24

Defence's Management of Recruitment Advertising Campaigns



Why did we do this audit?

- ▶ Campaign advertising for Australian Defence Force (ADF) recruitment is an ongoing Department of Defence (Defence) activity and represented about 34 per cent of all Australian Government campaign advertising expenditure in 2022–23.
- ▶ Defence has identified 'investing in the growth and retention of a highly skilled workforce to meet Australia's defence and national security requirements' as one of its seven key activities.



Key facts

- ▶ The ANAO selected three ADF campaigns which were launched in 2022–23: *Take a Closer Look, Where It All Begins* and *Live a Story Worth Telling*.
- ▶ Objectives of the campaigns included increasing the target audience's awareness about a rewarding career in the ADF and inspiring action to find out more or apply.



What did we find?

- ▶ Defence's management of the three selected advertising campaigns for ADF recruitment was largely effective.
- ▶ For the selected campaigns, Defence complied with most of the review, certification and publication requirements of the campaign advertising framework and largely complied with the requirements of Principles 1 to 4 of the relevant Australian Government Guidelines on Information and Advertising Campaigns.
- ▶ Defence monitors the performance of its active campaigns but does not conduct evaluations to determine their effectiveness, as it is required to do.
- ▶ There is scope for Defence to improve the transparency of its public reporting on individual advertising campaigns.



What did we recommend?

- ▶ There were three recommendations aimed at improving the transparency of Defence's public reporting on individual advertising campaigns and complying with the campaign advertising framework with respect to end of campaign evaluations.
- ▶ Defence agreed to all three recommendations.

\$60.2 million

amount reported as spent on campaign advertising for Defence Force Recruiting (DFR) in 2022–23 by the Department of Finance.

33.6%

DFR advertising campaign expenditure as percentage of all expenditure reported for Australian non-corporate entities in 2022–23.

22.9%

amount of planned growth in the ADF between 2020–21 and 2042–43.

Summary and recommendations

Background

1. Australian Defence Force (ADF) recruitment advertising campaigns are typically the largest conducted by Australian Government entities each year. The Department of Finance reported that the Department of Defence's (Defence's) recruitment advertising expenditure was \$60.2 million for 2022–23, representing approximately 33.6 per cent of total Australian Government advertising expenditure of \$179.3 million.¹ In conjunction with a range of contracted suppliers, Defence designs and administers advertising campaigns aimed at particular target audiences.
2. Australian Government entities are required to comply with a framework established by the *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* (the Guidelines).²
3. The Guidelines state that they 'operate on the underpinning premise that':
 - a. members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations; and
 - b. governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour.
4. The Guidelines are a government policy and entities subject to them must be able to demonstrate compliance with five overarching principles when planning, developing and implementing publicly-funded information and advertising campaigns. The principles require that campaigns are:
 - relevant to government responsibilities;
 - presented in an objective, fair and accessible manner;
 - objective and not directed at promoting party political interests;
 - justified and undertaken in an efficient, effective and relevant manner; and
 - compliant with legal requirements and procurement policies and procedures.

Rationale for undertaking the audit

5. Campaign advertising for ADF recruitment is an ongoing Defence activity and represents a material component of all Australian Government campaign advertising. In meeting its outcomes, Defence has identified 'investing in the growth and retention of a highly skilled workforce to meet Australia's defence and national security requirements' as one of its seven key

1 Department of Finance, *Campaign Advertising by Australian Government Departments and Entities Report 2022–23*, p.21. The report is issued annually by the Department of Finance and is available from <https://www.finance.gov.au/publications/reports> [accessed 4 January 2024].

2 Department of Finance, *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, December 2022, [Internet] available from <https://www.finance.gov.au/government/advertising/australian-government-guidelines-information-and-advertising-campaigns-non-corporate-commonwealth-entities> [accessed 17 March 2024].

activities.³ This audit provides independent assurance to the Parliament on Defence's management of selected ADF recruitment advertising campaigns.

Audit objective and criterion

6. The audit objective was to assess the effectiveness of Defence's management of advertising campaigns for Australian Defence Force recruitment.

7. To form a conclusion against the audit objective, the ANAO adopted the following high-level criterion.

- Were the selected campaigns compliant with the Australian Government's campaign advertising framework?
8. The ANAO selected three campaigns for review, which were launched in 2022–23:
- *Take a Closer Look* — launched on 21 August 2022;
 - *Where It All Begins* — launched on 6 February 2023; and
 - *Live a Story Worth Telling* — launched on 19 March 2023.

Conclusion

9. The Department of Defence's management of the three selected advertising campaigns for Australian Defence Force recruitment was largely effective.

10. For the selected campaigns, Defence largely complied with the review, certification and publication requirements of the Australian Government's campaign advertising framework and complied with the requirements of Principles 1 to 3 of the Guidelines.

11. Defence largely complied with Principle 4 except that it could not provide the ANAO with supporting evidence to verify the accuracy of cost information for each campaign.

12. With respect to Principle 5, Defence did not clearly document the substantive basis for its advice that there were no legal concerns with respect to the campaign materials.

13. Defence does not evaluate the overall effectiveness of its recruitment advertising campaigns after they have ended. The extent to which Defence's recruitment advertising activities have contributed towards increasing the number of applications to join the ADF has therefore not been assessed by Defence.

14. There is scope for Defence to improve the transparency of its public reporting on individual advertising campaigns and to strengthen the assurance provided to the Secretary of Defence on compliance with the principles of the campaign advertising framework.

Supporting findings

Defence campaigns — compliance with requirements

15. For the three selected campaigns, Defence complied with most of the review, certification and publication requirements of the campaign advertising framework.

3 Department of Defence, *2023–27 Corporate Plan*, August 2023, [Internet] available from <https://www.defence.gov.au/about/strategic-planning/defence-corporate-plan> [accessed 22 April 2024].

16. Each campaign received government approvals in accordance with the framework requirements applying at the time they were considered. (See paragraphs 2.8 to 2.33)
17. The Defence Secretary completed certifications that the campaigns complied with the five ‘overarching principles’ of the Guidelines and the certifications were published on Defence’s website. The Secretary’s certifications were informed by a third-party certification from the Independent Communications Committee (ICC) as required by the Guidelines, and Defence advice on compliance. (See paragraphs 2.12, 2.23 and 2.31)
18. As required by the framework, Defence developed a 2022–23 Media Strategy that was reviewed by the ICC. The ICC provided a report to the Defence Secretary, which was published on the Department of Finance’s website as required. (See paragraphs 2.34 to 2.40)
19. Defence did not publish research reports for the selected campaigns on its website and did not document why it was not appropriate to do so. (See paragraphs 2.17, 2.25 and 2.32)
20. While Defence’s annual report includes information on overall campaign expenditure, it does not specify the individual advertising campaigns conducted by Defence, as required by the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). (See paragraphs 2.14, 2.25 and 2.33)
21. Defence complied with the requirements of Principles 1 to 3 of the Guidelines.
22. Defence largely complied with Principle 4 except that it could not provide the ANAO with supporting evidence to verify the accuracy of cost information that it provided. In the absence of this information, no assurance can be provided on the accuracy or completeness of the campaign advertising expenditure as advised by Defence. (See paragraphs 2.102 to 2.107)
23. With respect to Principle 5 (compliance with legal requirements and procurement policies and procedures), Defence did not clearly document the substantive basis for its advice that there were no legal concerns with respect to the campaigns. (See paragraphs 2.72 to 2.75)
24. Defence uses quarterly Communications Tracking reports to monitor the performance of its active campaigns. Defence does not evaluate the overall effectiveness of its recruitment advertising campaigns after they have ended. The extent to which Defence’s recruitment advertising activities have contributed towards increasing the number of applications to join the ADF has therefore not been assessed by Defence. (See paragraphs 2.102 to 2.107)

Recommendations

- Recommendation no. 1** The Department of Defence comply with the requirement of the *Public Governance, Performance and Accountability Rule 2014* to include a statement, in its annual report, on the specific advertising campaigns conducted by Defence.
- Paragraph 2.15**

Department of Defence response: *Agreed.*

Recommendation no. 2 The Department of Defence provide the Department of Finance with details of expenditure on individual Defence advertising campaigns for inclusion in Finance’s annual report on *Campaign Advertising by Australian Government Departments and Entities*.

Paragraph 2.100

Department of Defence response: *Agreed.*

Recommendation no. 3 To meet the requirements of the *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* and the *Commonwealth Evaluation Policy*, for future advertising campaigns, the Department of Defence:

Paragraph 2.108

- (a) establish clear objectives for each campaign prior to the development of the campaign;
- (b) document an evaluation plan; and
- (c) at the conclusion of each campaign, prepare a final evaluation report.

Department of Defence response: *Agreed.*

Summary of entity response

Department of Defence

Defence acknowledges the Auditor-General's assessment that Defence has mostly complied with the requirements of the Government's advertising framework and related guidelines, and its management of three selected ADF advertising campaigns has been largely effective as a result.

Defence notes that each of its campaigns are subject to rigorous and comprehensive quarterly evaluations over the life of a campaign, a period of typically four to six years, to regularly assess the audience's resonance with, recollection of, and reaction to, the subject campaign. However, Defence accepts the finding that it has not conducted a final evaluation of campaigns it has elected to remove from market.

Defence agrees with the recommendations regarding the improvements to transparency in formal reporting. While Defence has reported expenditure connected to all of its advertising campaigns in annual reports authored by the Department of Defence and the Department of Finance, Defence has not provided details relating to expenditure by campaign, an action it will undertake in formal reporting in the future.

Key messages from this audit for all Australian Government entities

25. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Governance and risk management

- Entities demonstrate transparency and accountability to the Parliament by complying with all annual reporting requirements specified in the *Public Governance, Performance and Accountability Rule 2014*.
- Establishing clear objectives at the outset for projects such as campaign advertising supports the conduct of an effective evaluation process at their completion.

Audit findings

1. Background

Introduction

Campaign advertising framework

1.1 The December 2022 *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*⁴ (the Guidelines) establish the framework for Australian Government campaign advertising.

1.2 The Guidelines are administered by the Department of Finance (Finance) and apply to non-corporate Commonwealth entities (entities) designated under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).⁵ These entities include Australian Government departments such as the Department of Defence (Defence).

1.3 The Guidelines state that they ‘operate on the underpinning premise that’:

- a. members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations; and
- b. governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour.⁶

1.4 The Guidelines apply to all information and advertising campaigns undertaken in Australia by entities⁷, including large-scale recruitment advertising for the Australian Defence Force (ADF). The Guidelines state that:

an advertising campaign involves paid media placement and is designed to inform, educate, motivate or change behaviour. Large-scale recruitment advertising not related to specific job vacancies and with a degree of creative content (e.g. Defence Force Recruiting) may be considered an advertising campaign. Entities are to seek advice from Finance if they are unsure whether an activity is an advertising campaign.⁸

1.5 The Guidelines are a government policy⁹ and entities subject to them must be able to demonstrate compliance with five overarching principles when planning, developing and implementing publicly-funded information and advertising campaigns. The principles require that campaigns are:

- relevant to government responsibilities;

4 Department of Finance, *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, December 2022, [Internet] available from <https://www.finance.gov.au/government/advertising/australian-government-guidelines-information-and-advertising-campaigns-non-corporate-commonwealth-entities> [accessed 17 March 2024].

5 *ibid.*, paragraph 6. Non-corporate Commonwealth entities are Australian Government entities that are not a body corporate. All Departments of State are non-corporate Commonwealth entities.

6 *ibid.*, paragraph 4.

7 *ibid.*, paragraph 7.

8 *ibid.*, paragraph 13.

9 *ibid.*, paragraph 11.

- presented in an objective, fair and accessible manner;
- objective and not directed at promoting party political interests;
- justified and undertaken in an efficient, effective and relevant manner; and
- compliant with legal requirements and procurement policies and procedures.¹⁰

1.6 For advertising campaigns of \$250,000 (GST exclusive) or more, the Guidelines include the following requirements relating to campaign review, certification and reporting.

- An Independent Communications Committee (ICC) will consider the proposed campaign and provide a report to the entity accountable authority¹¹ on compliance with Principles 1, 2, 3 and 4 of the Guidelines. Entities will be responsible for providing a report to their accountable authority on campaign compliance with Principle 5 of the Guidelines.
- Following consideration of the ICC and entity reports on campaign advertising compliance, the entity accountable authority will certify that the campaign complies with the Guidelines and relevant government policies.
- The entity accountable authority will provide the certification to the relevant minister who may launch the campaign or approve its launch.
- The entity accountable authority certification will be published on the relevant entity's website when the campaign is launched.
- The compliance advice of the Independent Communications Committee will be published on Finance's website after the campaign is launched.¹²

1.7 The Guidelines further provide that entity accountable authorities 'will ensure that':

- research reports for advertising campaigns with expenditure of \$250,000 exclusive of GST or more are published on their entity website following the launch of a campaign where it is appropriate to do so; and
- details of advertising campaigns undertaken will be published in entity annual reports.¹³

1.8 In the Guidelines, the government has undertaken to provide reports to the Parliament that detail expenditure on all advertising campaigns with expenditure in excess of \$250,000 (exclusive of GST) commissioned by PGPA Act entities.¹⁴ Finance prepares annual reports on campaign advertising as the administering entity for the Guidelines.¹⁵

10 *ibid.*, paragraph 11.

11 Under the PGPA Act, an accountable authority governs the entity. An accountable authority can be an individual or a group of persons (such as a governance board). For the Department of Defence this is the Secretary of Defence.

12 *ibid.*, paragraph 19.

13 *ibid.*, paragraph 22. There is also a requirement in the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) which states that in their annual reports, entities must include a statement naming the advertising campaigns conducted during the reporting period (financial year). The PGPA Rule is a legislative instrument made under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Rules 17AA to 17AJ set out mandatory requirements for items that must be included in entities' annual reports.

14 *ibid.*, paragraph 21.

15 The most recent report was Department of Finance, *Campaign Advertising by Australian Government Departments and Agencies Report 2022–23*, [Internet] available from <https://www.finance.gov.au/publications/reports/campaign-advertising-australian-government-departments-and-agencies-report-2022-23> [accessed 17 March 2024].

1.9 Finance's 2022–23 annual report on campaign advertising reported that the Government Communications Subcommittee of Cabinet (GCS) reviewed Australian Government advertising campaigns with budgets over \$500,000 conducted by non-corporate Commonwealth entities prior to launch.¹⁶ The Department of the Prime Minister and Cabinet (PM&C) has issued a circular which sets out processes and requirements for entities engaging with the GCS and the predecessor Service Delivery and Coordination Committee of Cabinet (SDCC). The PM&C circular has been updated periodically, to reflect changing requirements.

1.10 The Guidelines provide (in paragraph 9) that the Minister for Finance can exempt a campaign from compliance with the Guidelines on the basis of a national emergency, extreme urgency or other compelling reason. Where an exemption is approved, the ICC must be informed of the exemption, and the decision formally recorded and reported to the Parliament as soon as practicable. Finance's 2022–23 annual report on campaign advertising reported that no exemptions were sought or agreed during 2022–23.¹⁷

Guideline changes

1.11 The Guidelines have been revised periodically since their introduction in 2008. The only material change between the October 2020 and December 2022 Guidelines was that the December 2022 Guidelines clarified that all dollar figures are to be read as GST-exclusive.

1.12 Interim Guidelines were in effect between July and December 2022. They suspended the operation of the ICC¹⁸ and provided for the Minister for Finance (rather than a Cabinet sub-committee) to approve campaigns to proceed to market. This affected one of the Defence campaigns reviewed in this audit (see paragraph 2.22).

Australian Defence Force recruitment

Administrative arrangements

1.13 Prior to 1998, ADF recruiting was conducted separately by each military service for its own purposes.¹⁹

1.14 In 2002, Defence Force Recruiting (DFR) was established as a branch of the People Capability Division (PCD) within Defence People Group (DPG). The Director-General of DFR (DGDFR) is currently an ADF officer (military one star).

1.15 DFR has responsibility within Defence for the management of campaign advertising for ADF recruitment.

16 *ibid.*, p.6.

17 *ibid.*, p.8.

18 Finance's 2022–23 annual report on campaign advertising stated at page 5 that the ICC was reinstated from 8 December 2022.

19 The military services are the Royal Australian Navy (RAN or Navy), Australian Army (Army) and Royal Australian Air Force (RAAF or Air Force).

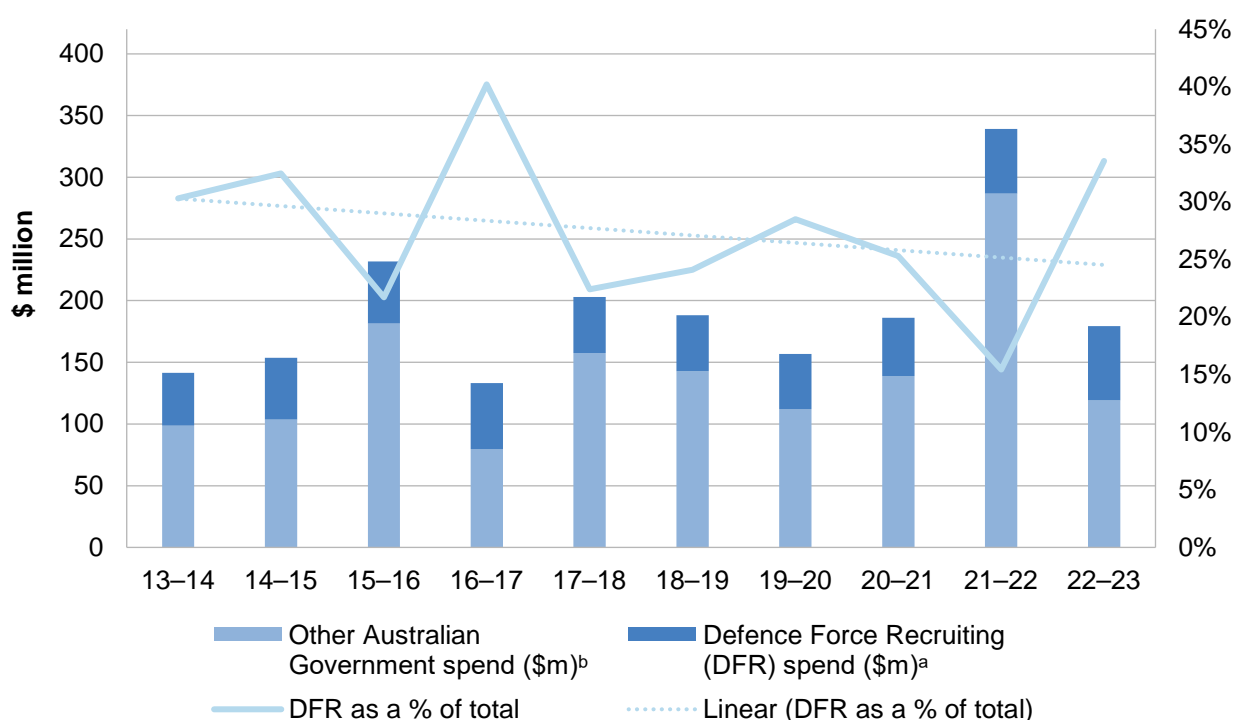
Defence recruitment campaigns

1.16 In its annual report on *Campaign Advertising by Australian Government Departments and Entities* for 2022–23, Finance reported ‘Defence Force Recruiting’ expenditure of \$60.2 million.²⁰ This figure included expenditure on all DFR advertising in 2022–23 and did not differentiate between individual campaigns (DFR’s advertising expenditure is discussed further from paragraph 2.93). The annual report also included the following objective for DFR’s consolidated campaign activities:

The campaign aimed to drive applications, build awareness and enhance propensity to consider a career in the Navy, Army or Air Force.

1.17 As shown in Figure 1.1, ADF recruitment advertising campaigns are typically the largest conducted by Australian Government entities each year. Annual reporting by Finance over time has indicated that Defence’s recruitment advertising expenditure has averaged 25 per cent of total Australian Government expenditure on campaigns over the last 10 years.

Figure 1.1: DFR advertising expenditure as a proportion of total Australian Government campaign expenditure, 2013–14 to 2022–23



Note a: Includes ‘consultants, services and other’ (advertising, market research, public relations and ‘other’) and media placement.

Note b: Consolidated campaign advertising expenditure (includes media and campaign development) by non-corporate Commonwealth entities.

Source: ANAO analysis of public reporting by the Department of Finance for the years indicated. The *Campaign Advertising by Australian Government Departments and Entities* report is issued annually and is available from <https://www.finance.gov.au/publications/reports> [accessed 4 January 2024].

²⁰ Department of Finance, *Campaign Advertising by Australian Government Departments and Entities Report 2022–23*, p.21, available from [https://www.finance.gov.au/sites/default/files/2023-12/Campaign Advertising by Australian Government Departments and Entities 2022-23 Report.pdf](https://www.finance.gov.au/sites/default/files/2023-12/Campaign%20Advertising%20by%20Australian%20Government%20Departments%20and%20Entities%202022-23%20Report.pdf) [accessed 20 March 2024].

Table 1.1: DFR advertising expenditure as a proportion of total reported Australian Government campaign advertising expenditure, 2013–14 to 2022–23

	13–14	14–15	15–16	16–17	17–18	18–19	19–20	20–21	21–22	22–23
DFR spend (\$m) ^a	42.9	49.9	50.4	53.6	45.5	45.4	44.7	47.1	52.4	60.2
Other Australian Government spend (\$m) ^b	98.6	103.7	181.5	79.7	157.6	142.9	112.1	139.0	286.8	119.1
DFR as % of total	30.3	32.5	21.7	40.2	22.4	24.1	28.5	25.3	15.4	33.6

Note a: Includes ‘consultants, services and other’ (advertising, market research, public relations and ‘other’) and media placement.

Note b: Consolidated campaign advertising expenditure (includes media and campaign development) by non-corporate Commonwealth entities.

Source: ANAO analysis of public reporting by the Department of Finance for the years indicated. The Campaign Advertising by Australian Government Departments and Entities report is issued annually and is available from <https://www.finance.gov.au/publications/reports> [accessed 4 January 2024].

1.18 As discussed in paragraph 1.4, the Guidelines apply to all information and advertising campaigns undertaken in Australia by entities, including ‘Large-scale recruitment advertising not related to specific job vacancies and with a degree of creative content (e.g. Defence Force Recruiting)’.

1.19 Defence uses ‘always-on’ marketing, which means that it generally has a presence somewhere in the market (such as social media, cinema, free-to-air TV, etc) and may run more than one campaign at a time. The term ‘campaign’ has also been used to refer to all advertising activity occurring at a point in time. For example, in March 2022, the Independent Communications Committee (discussed in paragraph 1.6) reviewed what it termed the ‘Defence Force Recruiting Campaign 2022–23’ for that year, when it reviewed aspects of all three campaigns listed in Table 1.2.

Campaigns selected for audit

1.20 In this audit, the ANAO has focused on Defence’s management of three ADF recruitment advertising campaigns launched in 2022–23. The campaigns are summarised in Table 1.2.

Table 1.2: Defence recruitment advertising campaigns launched in 2022–23, as certified by Defence’s accountable authority in March 2022

Campaign name	Communication objectives	Launch date
<i>Take a Closer Look</i>	<ul style="list-style-type: none"> • Increase the target audience’s awareness about a rewarding career in the Australian Defence Force. • Grow the target audience’s knowledge of how the Australian Defence Force can fulfil their three key intrinsic needs (work-life balance, good salary, and job security). • Inspire action to; find out more or apply. 	21 August 2022

Campaign name	Communication objectives	Launch date
<i>Where It All Begins</i> (also known within Defence as 'ADFA brand campaign')	<ul style="list-style-type: none"> • Increase awareness of the Australian Defence Force Academy and its unique offer as a reputable university that offers a broad range of quality degrees and military training. • Grow the target audience's knowledge about the Australian Defence Force Academy's unique benefits (paid to study, guaranteed job on graduation and no HELP debt) and range of quality degrees. • Positively shift perceptions that Australian Defence Force Academy offers a challenging but enjoyable world class university education. • Increase action to; find out more (campaign media^a) or apply (complex non-campaign media^b). 	6 February 2023
<i>Live a Story Worth Telling</i> (also known within Defence as 'Navy brand campaign')	<ul style="list-style-type: none"> • Increase the target audience's awareness about a rewarding career in the Navy. • Grow the target audience's knowledge of what the Navy does, its people, and breadth of unique benefits and opportunities on offer. • Positively shift the target audience's perceptions of Navy lifestyle and careers. • Inspire action to; find out more (campaign media) or apply for a role in the Navy (complex non-campaign media). 	19 March 2023

Note a: Campaign advertising is defined by Finance as 'advertising produced and booked to appear through paid media placement as part of a planned series of communication activities that share common objectives, target the same audience and have specific timelines and a dedicated budget. Campaign advertising is designed to inform, educate, motivate or change behaviour.'

Note b: Complex Non-Campaign advertising is defined by Finance as 'generally a block advertising program, similar to a recruitment drive, that encompasses many job vacancies or employment opportunities. As part of the recruitment process, this may require arranging of job/career fairs and information sessions (including web information sessions) to enhance media placement activity.' See: Department of Finance, <https://www.finance.gov.au/government/advertising/types-advertising> [accessed 4 May 2024].

Source: ANAO representation of Defence information.

Recruitment context

1.21 Defence's 2023–27 Corporate Plan states that the 'Defence Strategic Review highlighted significant workforce challenges for Defence. In response, the Government has committed to grow and retain a highly skilled Defence workforce as a priority for immediate action'.²¹

1.22 Defence advised the ANAO in April 2024 that:

Employee desires for new ways of working (particularly as a result of COVID-19), a very tight job market, and 50-year-low rates of unemployment have all contributed to reduced applications to the ADF.

1.23 Responsible ministers stated in November 2022 that 'right now we have a defence personnel crisis'²² and in February 2024 that 'We have a real challenge on our hands to recruit and

21 Department of Defence, *2023–27 Corporate Plan*, August 2023, [Internet] available from <https://www.defence.gov.au/about/strategic-planning/defence-corporate-plan> [accessed 22 April 2024].

22 Minister for Defence, 'Address to the Sydney Institute Annual Dinner Lecture' (speech), 14 November 2022, [Internet] available from <https://www.minister.defence.gov.au/speeches/2022-11-14/address-sydney-institute-annual-dinner-lecture> [accessed 17 March 2024].

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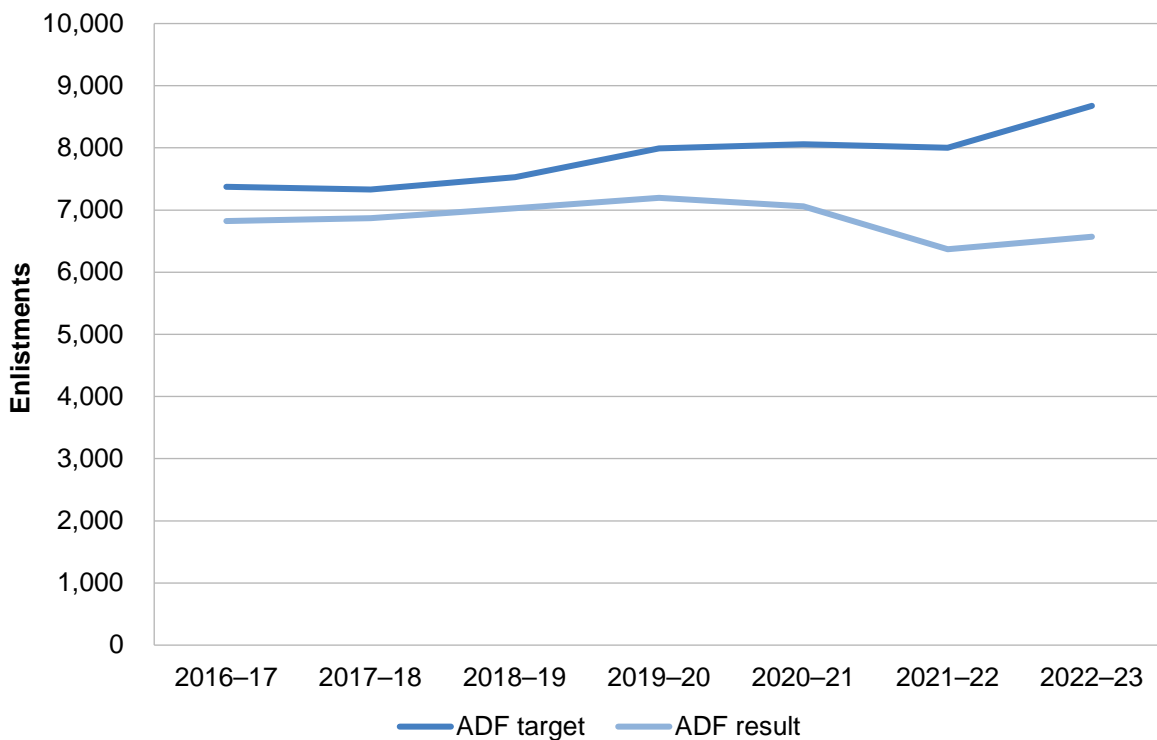
grow the number of ADF personnel'.²³ On 25 May 2023, the Australian Government announced the appointment of the inaugural Chief of Personnel in the Australian Defence Force. This military three-star appointment commenced on 5 June 2023 and was made pursuant to recommendations in the 2023 Defence Strategic Review (DSR). The media release announcing the appointment stated that:

The DSR also recommended options be developed to change Defence's recruitment framework.

This aims to improve the eligibility pool of potential applications and to align service recruitment requirements to military employment, especially in key technical and specialist trades.²⁴

1.24 Figure 1.2 shows that the gap between the ADF's recruitment targets and the actual result achieved has increased over the last six years.

Figure 1.2: ADF recruitment targets compared with result achieved, 2016–17 to 2022–23



The minister also stated that:

The Department of Defence is more than 1,000 people below its budgeted size. In part the defence establishment is simply experiencing the demand for labour which is being felt right around the country. But it also has to do with ensuring that Defence's recruitment improves, to reflect the way young Australians approach their careers and within that context, to make the Defence offering competitive. What is completely clear is that urgent action is required if we are to respond to our more challenging strategic environment.

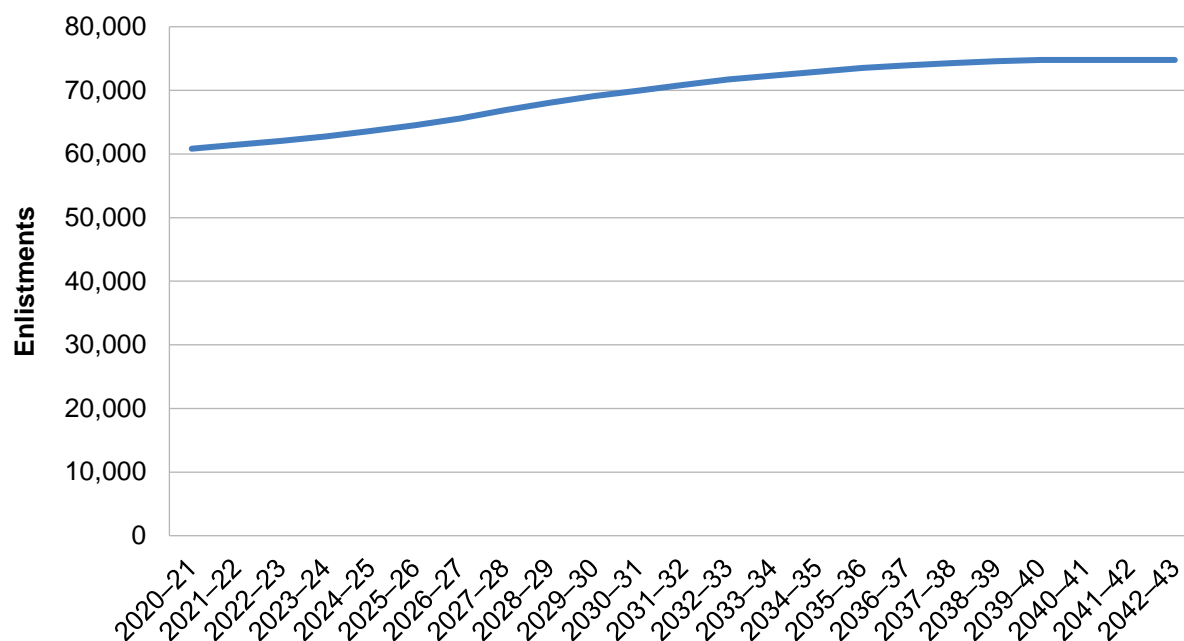
23 Assistant Minister for Defence, 'People, power, posture - modernising the Australian Defence Force to meet the challenges of the future' (speech), 21 February 2024, [Internet] available from <https://www.minister.defence.gov.au/speeches/2024-02-21/people-power-posture-modernising-australian-defence-force-meet-challenges-future> [accessed 17 March 2024].

24 Minister for Defence, 'Appointment of inaugural Chief of Personnel' (media release), 25 May 2023, [Internet] available from <https://www.minister.defence.gov.au/media-releases/2023-05-25/appointment-inaugural-chief-personnel> [accessed 17 March 2023].

Source: ANAO analysis of Defence data.

1.25 The ADF is planned to grow from 60,831 in 2020–21 to 74,782 in 2042–43, an increase of 22.9 per cent.

Figure 1.3: ADF approved force allocation, 2020–21 to 2042–43



Source: ANAO analysis of Defence data.

Previous ANAO audits

1.26 The administration of Australian Government advertising has been examined in a series of ANAO performance audit reports, which also reviewed the development of the campaign advertising framework since its introduction in 2008.²⁵

1.27 The ANAO last examined Defence's administration of recruitment advertising for the ADF between 2008 and 2010.²⁶

Rationale for undertaking the audit

1.28 Campaign advertising for ADF recruitment is an ongoing Defence activity and represents a material component of all Australian Government campaign advertising. In meeting its outcomes, Defence has identified 'investing in the growth and retention of a highly skilled workforce to meet Australia's defence and national security requirements' as one of its seven key activities.²⁷ This audit

25 The most recent performance audit in the series is Auditor-General Report No.17 2021–22 *Australian Government Advertising: May 2019 to October 2021*, [Internet] available from <https://www.anao.gov.au/work/performance-audit/australian-government-advertising-may-2019-to-october-2021>

26 Australian National Audit Office, *Government Advertising Reviews*, [Internet] available from <https://www.anao.gov.au/pubs/govads-review>.

27 Department of Defence, *2023–27 Corporate Plan*, August 2023, [Internet] available from <https://www.defence.gov.au/about/strategic-planning/defence-corporate-plan> [accessed 22 April 2024].

provides independent assurance to the Parliament on Defence's management of selected ADF recruitment campaigns.

Audit approach

Audit objective and criterion

1.29 The audit objective was to assess the effectiveness of Defence's management of advertising campaigns for Australian Defence Force recruitment.

1.30 To form a conclusion against the audit objective, the ANAO adopted the following high-level criterion.

- Were the selected campaigns compliant with the Australian Government's campaign advertising framework?

Audit scope

1.31 The audit focused on Defence's compliance with the *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* issued by Finance, and the application of the associated circular issued by PM&C.

1.32 The audit did not examine Finance's whole-of-government administration of the campaign advertising framework or other Defence recruitment initiatives.

Audit methodology

1.33 The audit involved:

- examining relevant records and documents; and
- meetings with relevant Defence personnel.

1.34 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$335,000.

1.35 The team members for this audit were Julian Mallett, Steven Meyer and Amy Willmott.

2. Defence campaigns — compliance with requirements

Areas examined

This chapter examines whether the Department of Defence (Defence) complied with the requirements of the *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*.

Conclusion

For the selected campaigns, Defence largely complied with the review, certification and publication requirements of the Australian Government's campaign advertising framework and complied with the requirements of Principles 1 to 3 of the Guidelines.

Defence largely complied with Principle 4 except that it could not provide the ANAO with supporting evidence to verify the accuracy of its cost information for each campaign.

With respect to Principle 5, Defence did not clearly document the substantive basis for its advice that there were no legal concerns with respect to the campaign materials.

Defence does not evaluate the effectiveness of its recruitment advertising campaigns after they have ended. The extent to which Defence's recruitment advertising activities have contributed towards increasing the number of applications to join the ADF has therefore not been assessed by Defence.

There is scope for Defence to improve the transparency of its public reporting on individual advertising campaigns and to strengthen the assurance provided to the Secretary of Defence on compliance with the principles of the campaign advertising framework.

Areas for improvement

The ANAO made three recommendations aimed at improving the transparency of Defence's public reporting on individual advertising campaigns and complying with the requirement for an evaluation at the end of campaigns.

The ANAO identified two opportunities for strengthening assurance provided to the Secretary of Defence on its compliance with the principles of the campaign advertising framework.

2.1 Entities undertaking campaign advertising are required to comply with the Australian Government's campaign advertising framework (the framework). Framework requirements and processes are set out in the *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* issued by the Department of Finance (Finance), and an associated circular issued by the Department of the Prime Minister and Cabinet (PM&C).

2.2 The ANAO examined whether Defence complied with framework requirements for three selected campaigns by assessing Defence's:

- processes for campaign review, certification and publication;
- compliance with the principles outlined in the Guidelines; and
- evaluation of campaign effectiveness.

2.3 The ANAO also examined the development of an annual media strategy by Defence.

2.4 The campaigns selected for review were:

- *Take a Closer Look* — launched in August 2022.
- *Where It All Begins* — launched in February 2023.
- *Live a Story Worth Telling* — launched in March 2023.

2.5 As noted at paragraph 1.11, the campaign advertising framework was introduced in 2008 and the Guidelines have been updated periodically.²⁸ The framework's key processes and accountabilities, a number of which are specific to Defence, are summarised below.

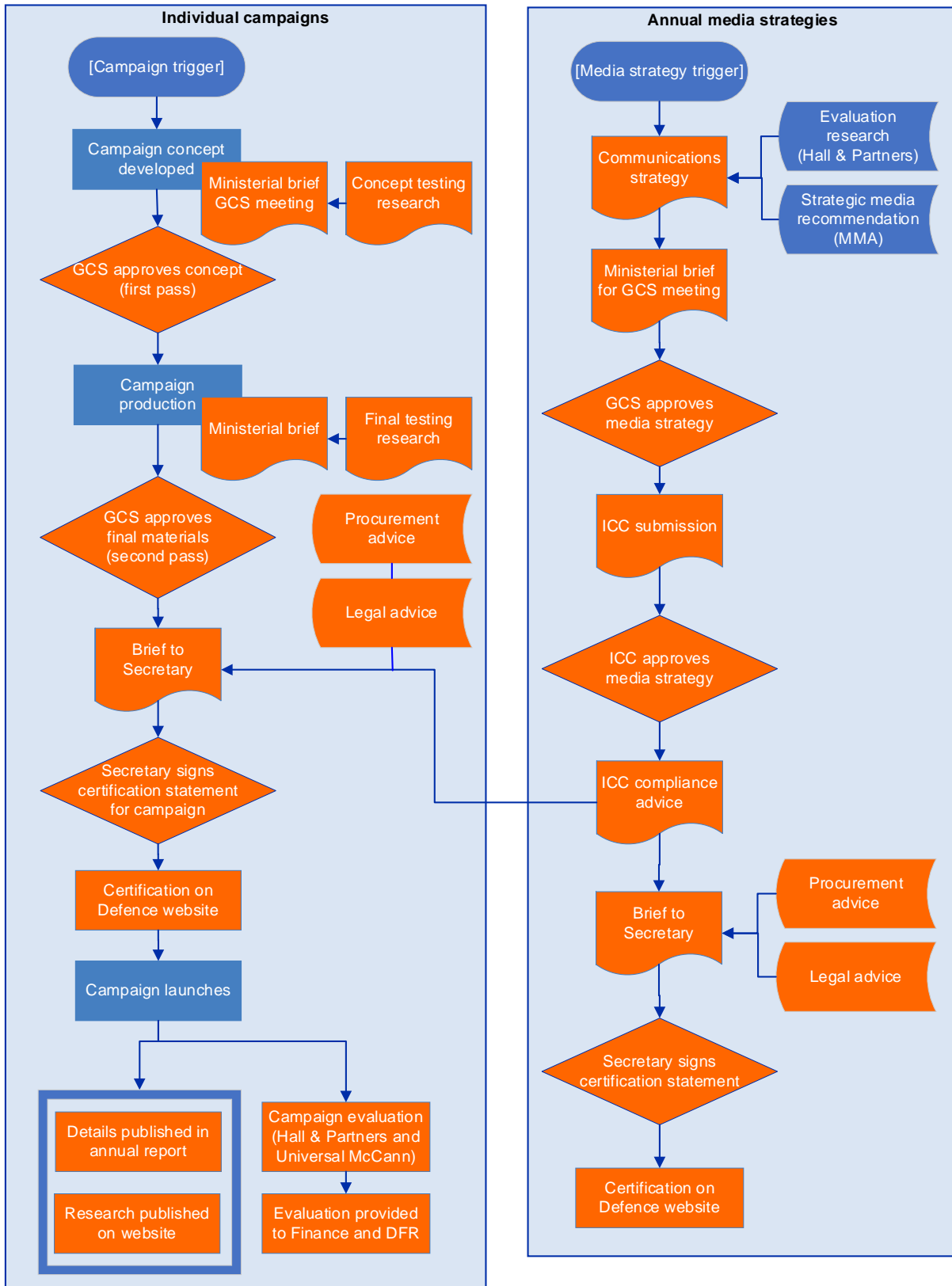
Framework processes

2.6 The ANAO's review was structured to reflect the processes illustrated in Figure 2.1. The steps shown in orange are those that are required by the Guidelines. The steps shown in blue have been added to provide context for the overall campaign process. Different requirements apply for individual campaigns and for the preparation of annual media strategies. There is also a two-pass government approval process for Defence campaigns, which is discussed in Box 1.

28 Guidelines were issued in October 2020 and December 2022. The content of the 2020 and 2022 Guidelines was identical except that the 2022 Guidelines clarified that all dollar figures are to be read as GST-exclusive. Consequently, in this report, a reference to 'the Guidelines' may be read as referring to either the 2020 or 2022 Guidelines.

Interim Guidelines were in effect between July and December 2022. They suspended the role of the Independent Communications Committee (ICC) and allowed the Minister for Finance (rather than a Cabinet subcommittee) to approve campaigns to proceed to market. This affected one of the campaigns under review (*Take a Closer Look*).

Figure 2.1: Defence Force recruiting — campaign advertising processes



Note: Reference to the GCS (Government Communications Subcommittee) should be taken to include reference to the SDCC (Service Delivery and Coordination Committee). These committees are discussed in Box 1 below.

Source: ANAO analysis.

Accountabilities under the framework

2.7 Box 1 summarises the key accountabilities in the campaign advertising framework, including the roles of entities, individuals and committees.

Box 1: Campaign advertising framework — accountabilities

The **minister**^a is responsible for authorising an advertising campaign's development and launch.

The **Service Delivery and Coordination Committee** (SDCC) and **Government Communications Subcommittee** (GCS) are Cabinet committees^b responsible for overseeing, reviewing and approving advertising campaigns with a budget of more than \$500,000. The SDCC was replaced by the GCS in May 2022.

- There is a **two-pass government approval process** for Defence campaigns^c. First pass occurs after initial campaign concepts are developed. The concepts for the selected campaigns are presented to government with a recommendation from Defence Force Recruiting (DFR) for a preferred concept. If agreed, the chosen concept is fully developed and final creative materials submitted to government for approval (second pass). Concepts and final creative materials for the selected campaigns were subjected to testing with focus groups.

The **Secretary of Defence** is required to complete a **Certification Statement** which certifies compliance with the Principles of the Guidelines and related government policies; ensure details of advertising campaigns are published in the Department's annual report; and 'where it is appropriate to do so', ensure research reports for advertising campaigns are published on the Department of Defence website.

The **Department of Finance** provides policy advice, whole-of-government coordination, and assistance to entities conducting advertising activities.

Hall & Partners has been engaged^d by the Department of Finance to undertake campaign evaluation and market research services for advertising campaigns for all government entities with a budget of more than \$500,000.

Universal McCann has been engaged^e by the Department of Finance as the government's Master Media Agency for advice on media strategies and the placement of media through the Central Advertising System.

The **Independent Communications Committee** (ICC) is a panel of three people, appointed by the Australian Government, who review the evidence and documentation supporting the development of campaigns to ensure that it complies with Principles 1 to 4 of the Guidelines^f. The ICC provides a report to the Secretary of Defence and a copy of the report is published on the website of the Department of Finance.

Note a: For the selected campaigns the responsible minister was the Minister for Defence Personnel. In this report, references to 'the minister' are to the Minister for Defence Personnel unless otherwise specified.

Note b: The SDCC existed from May 2019 to May 2022. The GCS has existed since May 2022.

Note c: In 2016, Defence was granted a 'concession' which meant it was only required to take material to SDCC/GCS twice (unlike other entities which were required to do so three times).

Note d: Entities are required to use Hall & Partners for these services. Hall & Partners are paid by each entity using its services.

Note e: Entities are required to use Universal McCann. The Central Advertising System is the coordinated procurement arrangement that consolidates expenditure and buying power to secure optimal media rates for the placement of government advertising.

Note f: Entities are responsible for providing a report to their accountable authority on campaign compliance with Principle 5 of the Guidelines (see paragraph 1.6).

Source: ANAO analysis. Key elements of the framework are described in the December 2022 Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities and the Department of Finance's Campaign Advertising by Australian Government Departments and Agencies Report 2022–23.

Were the required review, certification and publication requirements undertaken for the selected campaigns?

For the three selected campaigns, Defence complied with most of the review, certification and publication requirements of the campaign advertising framework.

- The campaigns received government approvals in accordance with the framework requirements applying at the time they were considered.
- The Defence Secretary completed certifications that the campaigns complied with the five 'overarching principles' of the Guidelines and the certifications were published on Defence's website. The Secretary's certifications were informed by a third-party certification from the Independent Communications Committee (ICC) as required by the Guidelines, and Defence advice on compliance.
- As required by the framework, Defence developed a 2022–23 Media Strategy that was reviewed by the ICC. The ICC provided a report to the Defence Secretary, which was published on the Department of Finance's website as required.

Defence did not publish research reports for the selected campaigns on its website and did not document why it was not appropriate to do so.

While Defence's annual report includes information on overall campaign expenditure, it does not specify the individual advertising campaigns conducted by Defence, as required by the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

Where It All Begins (ADFA) campaign

2.8 In 2013, Defence launched a campaign called '*Future Leaders*' which was aimed at attracting people in the target market (15–24 year olds) to consider a career in the ADF and enrol in the Australian Defence Force Academy (ADFA).²⁹ In 2019, research undertaken for Defence reported that 'recognition of the ADFA campaign has dropped significantly among its youth target'.

2.9 DFR commissioned a creative agency (VMLY&R³⁰) to develop a campaign concept for a new campaign. Two concepts were developed and tested with focus groups. In April 2021, DFR presented a brief to the minister seeking approval for the preferred concept, *Where It All begins*,

29 ADFA is a partnership with the University of New South Wales (UNSW). Students who enlist in the ADF and attend ADFA can study for a range of Arts, Business Science, Engineering, Science, Technology and Computing and Cyber Security degrees.

30 In October 2023 VMLY&R announced that it would merge with Wunderman Thompson and that from 1 January 2024, would be known as VML. At all relevant dates referred to in this audit report, the company was known as VMLY&R and is referred to by that name.

and obtained agreement to present the creative concept to the Service Delivery and Coordination Committee of Cabinet (SDCC) for first pass approval.

2.10 In May 2021, the government reviewed the evaluation and concept testing research and gave second pass approval that the *Where It All Begins* campaign could proceed to production. Filming was twice postponed due to the COVID-19 pandemic.

2.11 On 19 January 2023, the minister approved the advertising products that had been developed and agreed that the final materials be presented to the Government Communications Subcommittee of Cabinet (GCS) for approval. In January 2023, government reviewed the materials developed for the campaign and approved the campaign proceeding to placement in the media.

2.12 On 16 January 2023, DFR submitted a brief to the Secretary of Defence seeking agreement to the Accountable Authority Certification Statement required by the Guidelines. The briefing included a detailed supporting statement. The Secretary signed the Certification on 20 January 2023³¹ and it was published on Defence's website as required by the Guidelines.

2.13 The *Where It All Begins* campaign 'went live' on 6 February 2023.

2.14 The Guidelines state that 'Accountable Authorities will ensure that details of advertising campaigns undertaken will be published in entity annual reports'. Since May 2016, the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) has also required entities to include a statement in their annual reports naming the advertising campaigns conducted during the reporting period (financial year).³² Defence's 2022–23 annual report included a section on advertising and market research, which related to its overall expenditure in this area. It did not list the individual campaigns.

Recommendation no. 1

2.15 The Department of Defence comply with the requirement of the Public Governance, Performance and Accountability Rule 2014 to include a statement, in its annual report, on the specific advertising campaigns conducted by Defence.

Department of Defence response: *Agreed.*

2.16 *Defence will ensure it identifies the individual advertising campaigns in market over the reporting period, by name, in Defence's annual report.*

2.17 The Guidelines also state that 'Accountable Authorities will ensure that research reports for advertising campaigns with expenditure of \$250,000 exclusive of GST or more are published on their entity web site following the launch of a campaign, where it is appropriate to do so'. There was no evidence that Defence considered whether publication of the research reports was appropriate and Defence did not include this information on its website. In April 2024, DFR advised the ANAO that 'DFR was unaware of this requirement. DFR will comply with the requirement from this point forward'.

31 The Certification can be found at <https://www.defence.gov.au/about/accessing-information/campaign-advertising-certification-statements> (n.d.) [accessed 23 January 2024].

32 The PGPA Rule provides that the following information 'must be included in the annual report for the entity for the period ... a statement that "During [reporting period], [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken].' See paragraph 17AH(1)(a)(i) 'Other mandatory information' of the PGPA Rule.

Opportunity for improvement

2.18 There is an opportunity for Defence to improve its compliance with the Guidelines by documenting, where applicable, the reasons for not publishing research reports on its website following the launch of a campaign.

Take a Closer Look campaign

2.19 Market research of the 15–35 age group undertaken by external providers (Hall & Partners) in April to June 2021 suggested a ‘misalignment’ between job attributes valued by that group and those offered by the ADF. On 18 January 2022, DFR briefed the minister and advised that:

Research undertaken by Hall & Partners in June 2021, with DFR's target audience indicates a perception misalignment between ideal job attributes and what the ADF delivers. Shifts in motivational drivers have also been observed amongst 15 to 35 year olds, with more importance placed on work-life balance, mental health, job security, family and good pay compared to traditional Defence attractors of travel and adventure ...

To address this challenge, DFR is working with the media and creative agencies to adapt messaging and optimise communication channels to more effectively reach and engage with the target audience.

2.20 In the brief, DFR proposed to the minister an ‘explicit needs’ campaign (called *Take a Closer Look*) aimed at addressing three explicit needs of the target audience: work-life balance, good salary and job security. On 28 January 2022, the minister approved presentation of the concept to the SDCC.

2.21 In February 2022, the government reviewed the evaluation and concept testing research and provided first pass approval, agreeing that the *Take a Closer Look* campaign proceed to production.

2.22 In July 2022, Interim Guidelines were issued, which enabled the Minister for Finance to approve the launch of a campaign.³³ Under the Interim Guidelines, on 17 July 2022 DFR sought the minister's agreement to launch the *Take a Closer Look* campaign. On 2 August 2022, the minister wrote to the Minister for Finance seeking approval for the campaign proceeding to placement in the media. The Minister for Finance provided approval on 10 August 2022.

2.23 On 27 July 2022, DFR submitted a brief to the Defence Secretary seeking agreement to the Certification Statement required under the Guidelines. The briefing included a detailed supporting statement.³⁴ The Secretary signed the Certification on 2 August 2022 and it was published on Defence's website as required by the Guidelines.³⁵

2.24 The *Take a Closer Look* campaign was launched on 21 August 2022.

2.25 As discussed in paragraphs 2.14, 2.17 and 2.25, Defence did not meet the requirement to publish the name of the campaign in its annual report and did not publish research reports for the

33 The Interim Guidelines were in force between July and December 2022. They were replaced by the December 2022 Guidelines.

34 Compliance with the Guideline Principles is discussed from paragraph 2.41.

35 The Certification can be found at <https://www.defence.gov.au/about/accessing-information/campaign-advertising-certification-statements> (n.d.) [accessed 2 February 2024].

campaign on its website. Defence advised the ANAO in April 2024 that it had not published the research reports because it was not aware of the requirement to consider doing so.

***Live a Story Worth Telling* campaign**

2.26 An advertising campaign for the Navy titled *What Will You Bring?* was launched in July 2016. A January 2022 brief to the minister advised that:

This campaign has been successful in driving propensity to join, however since 2019/20 there has been a steady decline in Navy applications. As at 10 January 2022, Navy applications are down 42 percent compared to the same period [a] year ago with a significant decline also seen across STEM roles.'

2.27 Market research conducted by external providers (Hall & Partners) in September 2021 also showed declines in Navy 'brand recognition' among the target demographic.

2.28 A creative agency (VMLY&R) was engaged by Defence to develop a new concept, which was provided to DFR in September 2021. An external provider (WhereTo) was also engaged to undertake market testing of the concept in October and November 2021, and recommended that the *Live a Story Worth Telling* concept proceed. On 2 February 2022, the minister approved the concept and agreed that it be presented to the SDCC.

2.29 On 10 February 2022, the government reviewed the materials that had been developed for the campaign as part of the first pass approval process and agreed to the campaign proceeding to the next stage of development.

2.30 On 9 November 2022, the minister approved the final advertising materials that had been developed and agreed to their presentation to GCS. On 15 November 2022, the government gave second pass approval and agreed that the *Live a Story Worth Telling* campaign could proceed to placement in the media.

2.31 On 19 January 2023, DFR submitted a brief to the Acting Secretary of Defence seeking agreement to the Certification Statement required under the Guidelines. The briefing included a detailed supporting statement.³⁶ The Acting Secretary signed the Certification on 24 January 2023 and it was published on Defence's website as required by the Guidelines.³⁷

2.32 The *Live a Story Worth Telling* campaign was launched on 19 March 2023.

2.33 As discussed in paragraphs 2.14 and 2.17, Defence did not meet the requirement to publish the name of the campaign in its annual report and did not publish research reports for the campaign on its website. Defence advised the ANAO in April 2024 that it had not published the research reports because it was not aware of the requirement to consider doing so.

Annual media strategy and Independent Communications Committee

2.34 As discussed in paragraph 1.9 and Box 1, the Department of the Prime Minister and Cabinet (PM&C) has issued guidance for entities which sets out requirements for preparing items for consideration by Cabinet committees with a role in approving government campaign advertising —

36 Compliance with the Guideline Principles is discussed from paragraph 2.41.

37 The Certification can be found at <https://www.defence.gov.au/about/accessing-information/campaign-advertising-certification-statements> (n.d.) [accessed 4 February 2024].

the Service Delivery and Coordination Committee (SDCC) and later the Government Communications Subcommittee (GCS).

2.35 One of the requirements was for entities to present to government an annual Media Strategy. On 10 February 2022, DFR provided the minister with the draft media strategy for 2022–23 for consideration, together with a draft submission for the SDCC. The draft media strategy included details of:

- research undertaken into the effectiveness of campaign activity in 2020–21 and the first two quarters of 2021–22;
- research into strategies to target particular audiences (Generation Z and 25–34 year olds);
- a media overview plan;
- a communications strategy;
- proposed campaign budget; and
- the aims, communication objectives and key messages for the *Take a Closer Look, Where It All Begins* and *Live a Story Worth Telling* campaigns.

2.36 The minister approved the annual Media Strategy on 17 February 2022 and it was considered and approved by the government on 16 March 2022.

2.37 Consistent with arrangements agreed by government in 2016³⁸, the strategy was then submitted to the Independent Communications Committee (ICC) for review. The ICC reviewed the strategy on 17 March 2022 and on 18 March 2022, the ICC wrote to the Secretary of Defence in the following terms³⁹:

On 17 March 2022, the Committee considered the Defence Force Recruiting campaign being developed by the Department of Defence. As part of its consideration of this campaign, the Committee met with your officers and reviewed the following supporting documentation:

1. communication strategy
2. campaign tracking research
3. draft media strategy and indicative media plan overview
4. a statement against Principles 1 to 4 of the Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities (Guidelines).

The Committee is satisfied that the campaign is relevant to government responsibilities (Principle 1), and that the campaign is being developed in line with Principles 2 to 4 of the Guidelines. The Committee's view has been formed at the communication strategy stage, and it has not considered the advertising materials. For this reason, the Committee has concluded that

38 Defence uses 'always-on' marketing, which means that it generally has a presence somewhere in the market (such as social media, cinema, subscription TV, etc) and may run more than one campaign at a time. The term 'campaign' is occasionally used to refer to all advertising activity occurring at a point in time. The 2016 arrangements reflected that, unlike most entities, Defence has a continual presence in the market and DFR's advertising activities would be considered as one overarching campaign.

39 See Department of Finance, Campaign Advertising Compliance Advice, *Department of Defence - Defence Force Recruiting Campaign (2022-23) - July 2022* [Internet] available from <https://www.finance.gov.au/sites/default/files/2022-07/Department-of-Defence-Defence-Force-Recruiting-Campaign-%282022-23%29-July-2022.pdf> [accessed 27 April 2024].

the proposed Defence Force Recruiting campaign is capable of complying with Principles 1 to 4 of the Guidelines.

2.38 As noted by the ICC, it concluded that the proposed campaign was ‘capable’ of complying with Principles 1 to 4 of the Guidelines. The timing of the ICC’s review meant that at that stage, final advertising material had not yet been developed and could therefore not be considered by the ICC. The ANAO has previously observed that the ICC’s role does not involve the examination of actual final campaign material and recommended that the ICC’s terms of reference be amended to enable the ICC to review and advise on final advertising materials, including creative materials.⁴⁰ In September 2020, the government decided to not implement the ANAO recommendation.⁴¹

2.39 The report of the ICC is required to be published on the Department of Finance’s website. This occurred on 19 July 2022.⁴²

2.40 The Acting Secretary of Defence completed a Certification Statement for the 2022–23 media strategy, which was posted on Defence’s website.⁴³

Were the principles of the Australian Government’s campaign advertising framework adhered to for the selected campaigns?

Defence complied with the requirements of Principles 1 to 3 of the Guidelines.

Defence largely complied with Principle 4 except that it could not provide the ANAO with supporting evidence to verify the accuracy of cost information that it provided. In the absence of this information, no assurance can be provided on the accuracy or completeness of the campaign advertising expenditure as advised by Defence.

With respect to Principle 5 (compliance with legal requirements and procurement policies and procedures), Defence did not clearly document the substantive basis for its advice that there were no legal concerns with respect to the campaigns.

2.41 As discussed in paragraph 1.5, the 2022 Guidelines state that:

Entities subject to the Guidelines must be able to demonstrate compliance with the five overarching principles when planning, developing and implementing publicly-funded information and advertising campaigns. The principles require that campaigns are:

- relevant to government responsibilities
- presented in an objective, fair and accessible manner
- objective and not directed at promoting party political interests

40 Auditor-General Report No.7 2019–20 *Government Advertising: June 2015 to April 2019*, ANAO, Canberra, 2019, paras 2.33 and 2.38, available from https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2019-2020_7.pdf.

41 The 2020 government decision to not implement the recommendation was reported in Auditor-General Report No.17 2021–22 *Australian Government Advertising: May 2019 to October 2021*, paragraph 2.27.

42 A copy of the ICC report can be found at: <https://www.finance.gov.au/sites/default/files/2022-07/Department-of-Defence-Defence-Force-Recruiting-Campaign-%282022-23%29-July-2022.pdf> [accessed 9 February 2024].

43 The Certification can be found at: <https://www.defence.gov.au/about/accessing-information/campaign-advertising-certification-statements> (n.d.) [accessed 10 February 2024].

- justified and undertaken in an efficient, effective and relevant manner, and
- compliant with legal requirements and procurement policies and procedures.⁴⁴

2.42 The Guidelines provide information under each of the overarching principles to illustrate how entities can demonstrate compliance.⁴⁵ This information is framed as ‘considerations’ which could evidence compliance with the principle. The principles and ‘considerations’ are reproduced in Appendix 3.

2.43 The ANAO considered the three selected Defence campaigns against each principle. Not all ‘considerations’ are relevant to these campaigns.⁴⁶

Principle 1 — were the campaigns relevant to government responsibilities?

2.44 In the Statement against the Principles provided to the Defence Secretary for certification of the 2022–23 Media Strategy, DFR stated that:

Defence Force Recruiting (DFR) advertising is directly related to the Australian Government's key priority to defend the nation and its interests. DFR is responsible for recruiting men and women for the Australian Navy, Army and Air Force, and uses its advertising as a proven means by which to attract them and maintain a constant flow of candidates into the recruiting pipeline.

All DFR advertising expenditure is funded from Defence's annual appropriations for departmental outcomes under Outcome 1, Program 1.12: Defence People. DFR is responsible for delivering ab-initio people capability to meet future force requirements detailed in the Force Structure Plan 2020 and Defence White Paper 2016.

2.45 In the Guidelines, one of the ‘considerations’ for demonstrating compliance with Principle 1 is that: ‘The subject matter of the campaign directly relates to the Government’s responsibilities.’ Paragraph 51(vi) of the Australian Constitution provides that the legislative powers of the Australian Parliament include ‘the naval and military defence of the Commonwealth and of the several States’. On that basis, the three selected campaigns complied with Principle 1.

Principle 2 — were the campaigns presented in an objective, fair and accessible manner and designed to meet the objectives of the campaigns?

Campaign content

2.46 In the Guidelines, the ‘considerations’ for demonstrating compliance with Principle 2 include the following.

- The recipients of the information can distinguish between facts, comment, opinions and analysis;
- Information presented as a fact, is accurate and verifiable;
- The basis of factual comparisons is clear and does not mislead the recipient about the situation;
- Pre-existing policies, products, services and activities are not presented as new; ...

44 See paragraph 11 of the December 2022 Guidelines.

45 See paragraph 12 of the December 2022 Guidelines.

46 For example, ‘distribution of unsolicited material’ (Principle 4).

2.47 The ANAO reviewed all final campaign materials for the three campaigns as shown in Table 2.1.

Table 2.1: Final campaign materials reviewed by the ANAO, by document type

Campaign	Images	Audio	Video
<i>Take a Closer Look</i>	4	4	13
<i>Where it All Begins</i> ^a	564	3	43
<i>Live a Story Worth Telling</i>	111	6	113

Note a: The ANAO asked DFR to provide copies of all final campaign materials. The ANAO reviewed a selection of images for the *Where it All Begins* campaign, as Defence could not confirm how many of the 564 images provided had proceeded to media placement.

Source: ANAO analysis of Defence documentation.

2.48 The final campaign materials reviewed by the ANAO were compliant with the objectivity requirements of Principle 2.

Accessibility of campaign materials

2.49 In the Guidelines, the ‘considerations’ for demonstrating compliance with Principle 2 also include the following:

- Special attention is paid to communicating with disadvantaged individuals or groups identified within the target audience. Particular attention is paid to meeting the information needs of Aboriginal and Torres Strait Islander Australians, the rural community, people with disability and those for whom English is not a convenient language in which to receive information;
- Imagery used in campaigns appropriately reflects the diverse range of Australians. Where it is consistent with the campaign objectives, this includes the realistic portrayal of the full participation of women, Aboriginal and Torres Strait Islander Australians, culturally and linguistically diverse communities and people with disability; and
- Campaigns are tested with target audiences to indicate they are engaging and perform well against their objectives.

2.50 The ANAO’s review of final campaign materials indicates the following:

- *Take a Closer Look* contained images of military hardware, not people. The campaign materials with voiceovers had both male and female voiceovers.
- For *Where it All Begins* and *Live a Story Worth Telling*, both campaign images and videos included a diverse range of Australians, in terms of gender and ethnicity.
- Print, audio and video materials for the selected campaigns were produced in the English language only.⁴⁷

2.51 Figure 2.2 to Figure 2.4 show some examples of images from the selected campaigns.

47 DFR advised the ANAO in April 2024 that:

DFR only produces campaign materials in the English language. English is the official language of Australia. It is a criteria for eligibility for application that candidates can write and speak English to a Year 10 level.

Figure 2.2: Example of advertisements used in the *Take a Closer Look* campaign



Source: Department of Defence.

Figure 2.3: Examples of advertisements used in the *Where It All Begins* campaign



Source: Department of Defence.

Figure 2.4: Examples of advertisements used in the *Live a Story Worth Telling* campaign



Source: Department of Defence.

Campaign testing

2.52 As discussed in paragraph 2.49, the Guidelines state that one of the ‘considerations’ for demonstrating compliance with Principle 2 is that: ‘Campaigns are tested with target audiences to indicate they are engaging and perform well against their objectives’.

2.53 The selected campaigns underwent concept testing to determine the effectiveness and engagement of campaign materials prior to release. DFR conducted testing at two stages for each campaign: at the concept stage and at the final stage of development.⁴⁸ Testing involved multiple qualitative focus group discussions with people of different ages, genders and locations from within the target audience. Some focus groups had sub-groups of the target audience, such as STEM-aligned individuals, indigenous people, teachers or parents. Focus groups were conducted online.

Take a Closer Look campaign

2.54 The concept testing report (November 2021)⁴⁹ recommended proceeding with one of the two ‘explicit needs’ campaigns developed by the creative agency (VMLY&R). The report said that both options tested strongly with audiences.

2.55 The final testing report for *Take a Closer Look* (May 2022) recommended proceeding with the campaign as it would fill ‘critical gaps’ in knowledge and had ‘no major weaknesses or significant issues.’ The report noted that the campaign would increase target audience awareness of good work-life balance, opportunity for personal growth, and opportunities and benefits not available with other employers, including financial benefits.

2.56 The creative agency (VMLY&R) updated some campaign materials based on DFR feedback.

⁴⁸ DFR advised the ANAO in April 2024 that each stage included up to three rounds of testing.

⁴⁹ Campaign testing for *Take a Closer Look* was undertaken by a research consultancy (WhereTo).

Where It All Begins campaign

2.57 The concept testing report⁵⁰ was provided to Defence in September 2020. The report recommended proceeding with the *Where it All Begins* campaign. The report recommended that new communications be established within the campaign to clearly communicate information ‘such as ‘ADFA is a world-class university at which you get a degree.’

2.58 The final creative testing report (October 2022) found that overall, the campaign materials ‘successfully communicated the message that ADFA offers a “world-class university education,” which was new news to many.’ The campaign was also considered to communicate core benefits, including getting a fully funded degree, a salary whilst studying and a guaranteed career upon completion.⁵¹

2.59 The report recommended simplifying the campaign ‘headlines’ and communicating that ADFA is a university. The report provided three alternative headlines.⁵² The previous headlines were subsequently replaced with ‘This is no ordinary university education’ in all images.

Live a Story Worth Telling campaign

2.60 The concept testing report (November 2021)⁵³ recommended that Defence proceed with development of the *Live a Story Worth Telling* campaign, on the following grounds:

Live a Story Worth Telling offers the greatest opportunity to evolve the positioning of the Navy and tell the audience something new about what’s on offer, and what they could expect from a Navy career. The gravitas and sense of worthiness appeals to a different side and a wider range of people, and it helps to broaden audience understandings of Navy careers.

2.61 The report also noted that the campaign concept may not provide enough action for ‘adventure and excitement seekers’ and suggested that Defence look at other ways of appealing to this group.

2.62 The final concept testing report (September 2022) concluded that:

Across two round[s] of creative testing, we have shown that DFR have created a strong, well-balanced suite of brand advertising, able to add to people’s understating [sic] of Navy roles, and able to inspire and motivate new interest in Navy careers. We are confident that the final suite has at least two effective creative executions across every channel and offers Navy strong potential as a recruitment campaign.

2.63 The ANAO’s review of materials for the three selected campaigns found that they complied with the requirements of Principle 2.

Principle 3 — were the campaigns objective and not directed at promoting party political interests?

2.64 In the Guidelines, the ‘considerations’ for demonstrating compliance with Principle 3 include the following:

50 Campaign testing for the ADFA Brand campaign was undertaken by a research consultancy (ChatHouse).

51 The subsequent audio commentary for the campaign included the words ‘A guaranteed career’.

52 The alternative headlines were: ‘This is no ordinary university education’; ‘This is no ordinary uni education’; or ‘This is no ordinary uni degree.’

53 Campaign testing for this campaign was undertaken by a research consultancy (WhereTo).

- Language used in the campaign is objective language and is free of political argument; and
- Campaigns must not try to foster a positive impression of a particular political party or promote party political interests.

2.65 The Guidelines also provide that:

Campaigns must not:

- a. mention the party in Government by name;
- b. directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposition parties or groups;
- c. include party political slogans or images;
- d. be designed to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament; or
- e. refer or link to the web sites of politicians or political parties.

2.66 For the three selected campaigns, DFR advised the Defence Secretary, in the Statement Against the Principles, that:

DFR advertising is by its nature free of political interests, with no party-political themes, messages, or content. The website referenced in DFR advertising is www.defencejobs.gov.au which houses content on ADF jobs, pay and conditions, training, fitness standards and the recruiting process.

2.67 The ANAO's review of final campaign materials for the three selected campaigns found that they were compliant with the requirements of Principle 3.

Principle 4 — were the campaigns justified and undertaken in an efficient, effective and relevant manner?

2.68 In the Guidelines, the 'considerations' for demonstrating compliance with Principle 4 include the following.

- Campaigns are only instigated where a need is demonstrated, target recipients are clearly identified and the campaign is informed by appropriate research or evidence;
- Campaign information clearly and directly affect [sic] the interests of recipients;
- The medium and volume of the advertising activities is cost effective and justifiable within the budget allocated to the campaign; and
- Campaigns are evaluated to determine effectiveness.

2.69 As discussed earlier in this chapter, for the three selected campaigns there was evidence of:

- a documented justification (see paragraphs 2.9, 2.20 and 2.26);
- consideration of target groups (see paragraphs 2.9, 2.21 and 2.28);
- research activity, such as market research, concept testing and creative testing (see paragraphs 2.8, 2.10, 2.19, 2.21, 2.27 and 2.28); and
- campaign information (campaign materials) directed to the interests of the identified recipients (see paragraphs 2.49 to 2.51).

2.70 There was evidence that Defence's media buy for each of the selected campaigns was based on advice from the mandated master media agency.

2.71 Defence's expenditure (to date) for each of the selected campaigns is discussed from paragraph 2.93 and campaign evaluation activity is discussed from paragraph 2.102.

Principle 5 — were the campaigns compliant with legal requirements and procurement policies and procedures?

Legal requirements

2.72 Principle 5 of the Guidelines states that:

29. The manner of presentation and the delivery of campaigns must comply with all relevant laws including:

- a. laws with respect to broadcasting and media;
- b. privacy laws;
- c. intellectual property laws;
- d. electoral laws;
- e. trade practices and consumer protection laws; and
- f. workplace relations laws.

2.73 For each campaign, DFR provided Defence Legal with a selection of campaign materials for legal review and clearance. Defence Legal conveyed its advice by email that relevant materials had been reviewed and that there were no legal concerns with the content. The emails did not explicitly refer to the items included in Principle 5.⁵⁴

2.74 In April 2024, Defence advised the ANAO that:

Special Counsel (Defence People Group) confirmed in reviewing the content, Defence Legal are conscious of Principle 5 of the Guidelines on Information and Advertising Campaigns (being broadcasting and media laws; privacy; IP; electoral; trade practices and consumer protection laws; and workplace relations laws).

Upon viewing the content, where Defence Legal identify an issue, they will notify DFR via email of the issue.⁵⁵

2.75 As discussed in paragraphs 2.12, 2.23 and 2.31, supporting statements were provided to the Defence Secretary (signed by the Head, People Capability) to provide assurance that the Principles have been complied with. The supporting statements contained the assurance that: 'Defence Legal have been consulted and confirm that the key campaign messages are factual and supported by extant Defence policies'. As noted at paragraph 1.6, the Secretary's certification is required to be published on Defence's website.

Opportunity for improvement

2.76 There is an opportunity for Defence to strengthen assurance provided to the Secretary of Defence on its compliance with the principles of the campaign advertising framework by

54 Examples of Defence Legal's responses included the following: 'I ... do not have any legal concerns with the content'; 'I have reviewed the 11 files ... and do not have any issues with the content from a legal perspective'; and 'Have checked the new versions and all are now cleared'.

55 To support this advice, Defence provided an example (from a different campaign) where Defence Legal had identified an issue relating to the use of a protected symbol (the Red Cross).

documenting the substantive basis for its advice that campaigns have complied with all relevant legal requirements.

Procurement policies and procedures

2.77 The Guidelines state that: ‘Procurement policies and procedures for the tendering and commissioning of services and the employment of suppliers are to be followed, and there must be a clear audit trail regarding decision making.’

2.78 During the development and implementation of the three selected campaigns, DFR used the service providers shown in Table 2.2.

Table 2.2: Service providers used by Defence Force Recruiting for the selected campaigns

Company	Role	Basis of engagement
Hall & Partners	Quarterly campaign performance	Mandated whole of government supplier
Universal McCann	Media placement	
ChatHouse Research	Campaign research and concept testing	Defence Market Research Services panel
WhereTo Research	Campaign research and concept testing	
VMLY&R	Creative development and management of campaign production	Defence limited tender

Source: ANAO analysis of Defence information.

Mandated service providers

2.79 Two service providers (Hall & Partners and Universal McCann) were engaged by the Department of Finance⁵⁶ and their use was mandated.

- Hall & Partners provides whole-of-government campaign evaluation and market research services for advertising campaigns conducted by non-corporate Commonwealth entities with expenditure above \$500,000 per financial year.
- Universal McCann provides Master Media Agency services for the Australian government, including campaign and non-campaign advertising planning and placement services.

2.80 Table 2.3 shows the value of work undertaken for Defence by Hall & Partners and Universal McCann in 2022–23.

Table 2.3: 2022–23 Defence expenditure: mandated service providers

Company	2022–23 expenditure \$m
Hall & Partners	2.1
Universal McCann	78.7

Source: AusTender data.

⁵⁶ The ANAO did not consider the processes by which the Department of Finance procured the services of mandated service providers.

Panel providers

2.81 Two of the Defence service providers (ChatHouse and WhereTo) are members of a Market Research Services panel that Defence first established in May 2007 and retendered in 2010, 2016 and 2021. Both companies have been members of the panel since 2016.⁵⁷

2.82 In April 2020, DFR issued a Tasking Statement (request for quotation) to the four panel members for concept and creative testing for a possible ADFA (*Where It All Begins*) advertising campaign. Three responses were received. These were evaluated by a Defence evaluation team⁵⁸ which recommended that ChatHouse be awarded the 'ADFA concept and creative testing activity'. The delegate approved the evaluation team's recommendation and a contract with ChatHouse to November 2020 was entered into.⁵⁹ Due to 'circumstances outside the control of Chathouse' and 'additional unforeseen circumstances (COVID)', the project was delayed and the contract with ChatHouse expired before it could undertake the testing of final creative materials. DFR sought and obtained delegate approval to issue a fresh contract to ChatHouse without inviting tenders from other members of the Market Research Services panel. An email from a contract officer in DFR's Directorate of Business and Contract Management noted that the 'continuation is for the remainder of the works' and that 'the only changes were the final dates to account for delays that have occurred'.⁶⁰

2.83 As noted in paragraph 2.19, market research by Hall & Partners had suggested a 'misalignment' between 'ideal' job attributes and those that the ADF can deliver. The government approved the development of a campaign (*Take a Closer Look*) in March 2022. In October 2021, DFR invited WhereTo Research (WhereTo) to provide a quote for the provision of 'Concept and Final Creative Testing' for what was then termed a 'Reversing ADF Application Decline Campaign'. WhereTo was on the Market Research Services Panel discussed in paragraph 2.81. The subsequent evaluation report assessed that it offered value for money on the basis that WhereTo 'provides very good efficiency for the project as they already possess an in-depth understanding of the application decline situation/market factors and are familiar with the Tri Service Reversing the Application Decline initiatives.' The delegate approved the engagement of WhereTo on 22 October 2021 and a contract was entered into on 23 October 2021.

Limited tender — Creative Advertising and Digital Services

2.84 In 2018, a contract with Defence for Creative Advertising and Digital Services was held by Havas Worldwide Australia trading as Host/Havas. The contract was due to expire on 31 March 2019.

2.85 In March 2018, SDCC agreed that eight suppliers from the Department of Finance's Campaign Advertising Supplier Register (CASR), including Host/Havas, be invited to participate in a limited tender process, with Defence to return to SDCC with recommended shortlisted suppliers.

57 The number of companies on the panel has varied between three and five.

58 The evaluation process included a technical evaluation, a pricing assessment and a value for money assessment.

59 The work undertaken for this activity ultimately became the *Where It All Begins* campaign.

60 Department of Finance guidance states that where it is proposed to approach only one member of a panel, 'you should provide your delegate with reasons on how value for money will be achieved in the procurement'. The advice to the delegate included a value for money assessment. See Department of Finance, <https://www.finance.gov.au/government/procurement/buying-australian-government/procuring-panel-panels-101> [accessed 26 February 2024].

2.86 In September 2018, DFR provided the Minister for Defence Personnel with the procurement evaluation results for the limited tender process, which identified two tenderers as ‘shortlisted tenderers’ (including VMLY&R).⁶¹ Consistent with the evaluation results, in November 2018 the minister recommended to SDCC the appointment of ‘a tenderer’ for the delivery of DFR’s Creative Advertising and Digital Services.

2.87 SDCC agreed to the appointment of a tenderer, as proposed. The available records do not indicate which of the two shortlisted tenderers was selected or whether one was endorsed over the other by the SDCC. Further, Defence records do not indicate whether the decision to negotiate with VMLY&R between 12 and 21 December 2018 (and not the other shortlisted tenderer) was made by officials. In April 2024, DFR advised the ANAO that:

DFR is unclear why Ministerial Brief [MS18-002800] did not suggest to the Minister that he recommend a single preferred tenderer out of the two shortlisted tenders. DFR cannot explain why the brief does not recommend a tenderer.

2.88 In June 2024, Defence advised the ANAO that it had undertaken additional searches of its records and provided the ANAO with the following documents for both shortlisted tenderers:

- ‘detailed financial assessments’⁶²;
- negotiation registers listing issues with the tendered proposal that would need to be resolved; and
- contract negotiation directives.⁶³

2.89 Defence also advised the ANAO in June 2024 that the detailed financial viability assessments conducted in September 2018 indicated that the other shortlisted tenderer ‘represented a relatively high financial risk.’ Defence further advised that ‘Defence records do not show whether it undertook a negotiation with [the other shortlisted tenderer], or whether no negotiation was entered into given those risks’.

2.90 Defence advised the ANAO that the 7 January 2019 section 23 approval demonstrated that the Director General of DFR was the decision-maker ‘for the selection of VMLY&R as Defence’s contractor for creative advertising’.⁶⁴ In accordance with the Defence Procurement Manual, the section 23 approval was provided seven days before Defence’s contract with VMLY&R was executed on 14 January 2019. The identity and approval of the decision-maker for the decision to negotiate with VMLY&R in December 2018 (and not the other shortlisted tenderer) was not documented as required.

61 The other six tenderers were either assessed as ‘non-preferred’ or as ‘not value for money’.

62 These assessments were undertaken by a commercial financial risk assessment company.

63 The contract negotiation directives set out how Defence’s negotiations were to be conducted, members of Defence’s negotiation team, probity considerations and the issues to be resolved with each tenderer.

64 In Defence, a section 23 commitment approval documents the exercise of delegated authority to commit relevant money (that is, public money) under subsection 23(3) of the *Public Governance, Performance and Accountability Act 2013*. A section 23 commitment approval is required before the relevant contractual arrangements are executed.

2.91 A contract notice for VMLY&R was published on AusTender on 8 February 2019 with a stated value of \$55.7 million.⁶⁵ The contract was later extended, and the contract value increased to \$112.8 million.

2.92 As noted in paragraph 2.82, when seeking to engage the services of a member of the Market Research Services panel, DFR issued Tasking Statements (requests for quotation). There were no similar documents for the commissioning of Creative Advertising and Digital Services work from VMLY&R. In April 2024, Defence advised the ANAO that: ‘There are no tasking statements for campaign production(s)’.

Campaign costs

2.93 As discussed at paragraph 2.37, government committees refer to and consider DFR’s advertising activities as one campaign with the exception of approval for the development and implementation of new campaign advertising assets. Defence advised the ANAO in April 2024 that its campaign budgets are endorsed once by government and the ICC for the creative and production costs for new materials and annually for media placement costs.

Market research and creative and production costs

2.94 In terms of expenditure, market research and creative and production costs are incurred by Defence prior to receiving SDCC approval for the final campaign materials to proceed to placement in the market. The ANAO sought Defence’s advice on these costs.

2.95 Defence advised the ANAO in April 2024 that all market research and creative and production costs for each campaign were incurred prior to 30 June 2023 as follows:

- *Take a Closer Look*: planned expenditure was \$921,921 and actual was \$859,106;
- *Where It All Begins*: planned expenditure was \$1,737,842 and actual was \$1,989,863; and
- *Live a Story Worth Telling*: planned expenditure was \$4,213,344 and actual was \$4,960,727.

Media placement costs

2.96 All three campaigns were still ‘in the market’ at the time of this audit and costs for media placement will be ongoing for some time.⁶⁶ In April 2024, Defence advised the ANAO that it could only provide actual media placement costs to 30 June 2023 as more recent figures ‘cannot be provided until reconciled by the MMA [Master Media Agency (Universal McCann)] at the end of the financial year’.

2.97 On 7 June 2024, after seeking more recent information from Universal McCann, Defence provided the following figures which it advised are the planned and actual expenditure costs for media placement for each campaign from commencement to February 2024:

- *Take a Closer Look*: planned expenditure was \$9,618,928 and actual was \$9,330,518;
- *Where It All Begins*: planned expenditure was \$1,398,375 and actual was \$1,384,852; and

65 AusTender, Contract Notice View – CN3569593, 8 February 2019, available from <https://www.tenders.gov.au/Cn/Show/e1ee7212-c3f9-a16c-53aa-cac7e4f5a005> (internet) [accessed 15 April 2024].

66 DFR advised the ANAO in April 2024 that its campaigns have a nominal four to five year life.

- *Live a Story Worth Telling*: planned expenditure was \$5,660,968 and actual was \$5,410,873.

2.98 Defence could not provide the ANAO with supporting evidence to verify the accuracy of the expenditure information it provided. In the absence of this information, no assurance can be provided on the accuracy or completeness of the campaign advertising expenditure as advised by Defence.

Public reporting on campaign costs

2.99 As discussed in paragraph 1.16, in its annual report on *Campaign Advertising by Australian Government Departments and Entities* for 2022–23, Finance reported ‘Defence Force Recruiting’ expenditure of \$60.2 million.⁶⁷ This figure included expenditure on all DFR advertising in 2022–23 and did not differentiate between individual Defence campaigns. In contrast, for other entities, the report does include expenditure on individually named campaigns. Further, as discussed in paragraph 2.14, information on individual Defence campaigns has not been reported by Defence in its annual report. Consequently, there is no public reporting on the cost of individual Defence recruiting campaigns, which reduces transparency to the Parliament and community.

Recommendation no. 2

2.100 The Department of Defence provide the Department of Finance with details of expenditure on individual Defence advertising campaigns for inclusion in Finance’s annual report on *Campaign Advertising by Australian Government Departments and Entities*.

Department of Defence response: *Agreed.*

2.101 *Defence will ensure it identifies the individual advertising campaigns in market over the reporting period, by name, together with expenditure for the period, in Finance's annual report on campaign advertising.*

Were the selected campaigns evaluated to determine effectiveness?

Defence uses quarterly Communications Tracking reports to monitor the performance of its active campaigns. Defence does not evaluate the overall effectiveness of its recruitment advertising campaigns after they have ended. The extent to which Defence’s recruitment advertising activities have contributed towards increasing the number of applications to join the ADF has therefore not been assessed by Defence.

2.102 DFR uses Hall & Partners to monitor the performance of campaigns which are in the market through quarterly Communications Tracking reports. These reports measure the ‘reach, response and impact’ of the campaigns based on focus groups held with members of the target groups (such as 15 – 35 year olds).⁶⁸ The tracking reports are used by DFR to assess whether campaign messages

67 Department of Finance, *Campaign Advertising by Australian Government Departments and Entities Report 2022–23*, p.21, available from https://www.finance.gov.au/sites/default/files/2023-12/Campaign_Advertising_by_Australian_Government_Departments_and_Entities_2022-23_Report.pdf [accessed 20 March 2024].

68 Provision of the tracking reports is pursuant to the whole-of-government contract between the Department of Finance and Hall & Partners (see paragraph 2.79).

are reaching the intended audience.⁶⁹ They are also used as part of the ‘first pass’ submission to SDCC.

2.103 Separately, the Guidelines and associated circular issued by the Department of the Prime Minister and Cabinet (PM&C) (see paragraph 2.1) require that campaigns be evaluated ‘to determine effectiveness’. The circular requires the evaluation to be completed ‘as soon as practicable after the conclusion of media activity, typically within three months.’ These evaluations form part of the whole-of-government contract between the Department of Finance and Hall & Partners.⁷⁰ The statement of requirements which form an annex to the whole-of-government contract state that:

Once the campaign is in market, tracking is conducted (continuous or burst depending on the campaign characteristics), following which final reporting is undertaken, delivering a detailed full evaluation report, one page summary of the campaign results and a presentation.

2.104 At the time of this audit, the three campaigns examined were still ‘in the market’ and had therefore not been formally evaluated. In November 2023, DFR advised the ANAO that it does not commission post-campaign evaluations from Hall & Partners because ‘the quarterly [tracking reports] provide this coverage’. As a result, there were no approved evaluation plans for these advertising campaigns.

2.105 The requirement in the PM&C circular to evaluate campaigns to determine their effectiveness is consistent with the *Commonwealth Evaluation Policy* which states that:

Commonwealth entities and companies are expected to deliver support and services for Australians by setting clear objectives for major policies, projects and programs, and consistently measuring progress towards achieving these objectives.⁷¹

2.106 While objectives had been developed for each of the three campaigns, there were different variations of those objectives appearing across Defence’s campaign documentation. In some instances, various objectives were identified for a campaign within the same document. For example, for *Where It All Begins*, the first pass submission to the SDCC described objectives as ‘to drive the number of applications to meet recruiting targets and build propensity to apply for ADFA’ and ‘to inspire, inform and persuade the target audience’.

2.107 The *Commonwealth Evaluation Policy* defines effectiveness ‘as the extent to which a program’s outcomes achieve its stated objectives’. To support effective evaluation and improve clarity in its reporting, there would be merit in Defence ensuring that its advertising campaign

69 See paragraph 2.8 (*Where It All Begins*), paragraph 2.19 (*Take a Closer Look*) and paragraph 2.27 (*Live a Story Worth Telling*).

70 On its website, the Department of Finance states the following in relation to campaign evaluation:

Advertising campaigns are required to be evaluated using a whole-of-government campaign evaluation framework. A single supplier provides benchmarking, tracking and evaluation research services for all advertising campaigns with total budgets above \$500,000 per financial year ... Under the agreed research framework, the supplier delivers formal evaluations of advertising campaigns undertaken by departments and agencies ... Note: the Australian Electoral Commission is exempt from this requirement.

See: Department of Finance, *Campaign Evaluation*, <https://www.finance.gov.au/government/advertising/campaign-evaluation> [accessed 3 May 2024].

71 Department of the Treasury, *Commonwealth Evaluation Policy*, available from <https://evaluation.treasury.gov.au/about/commonwealth-evaluation-policy> [accessed 3 May 2024].

objectives are conveyed consistently across its documentation and are clearly established at the outset in an evaluation plan.

Recommendation no. 3

2.108 To meet the requirements of the *Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* and the *Commonwealth Evaluation Policy*, for future advertising campaigns, the Department of Defence:

- (a) establish clear objectives for each campaign prior to the development of the campaign;
- (b) document an evaluation plan; and
- (c) at the conclusion of each campaign, prepare a final evaluation report.

Department of Defence response: *Agreed.*

2.109 *Defence will ensure future campaign objectives and measurement are more clearly documented, an evaluation plan is developed and a final evaluation report is commissioned for review.*



Rona Mellor PSM
Acting Auditor-General

Canberra ACT
24 June 2024

Appendices

Appendix 1 Entity response



Australian Government
Defence
PO Box 7900 CANBERRA BC ACT 2610

EC24-002546

Ms Rona Mellor, PSM
Acting Auditor-General
PO BOX 707
CANBERRA ACT 2601

Dear Ms Mellor

Australian National Audit Office (ANAO) Section 19 Proposed Report – Defence's management of recruitment advertising campaigns

Thank you for the opportunity to comment on the Proposed Report for the ANAO performance audit *Defence's management of recruitment advertising campaigns*.

Defence acknowledges the Auditor-General's assessment that Defence has largely complied with the requirements of the Government's advertising framework and related guidelines, and that its management of three selected Australian Defence Force (ADF) advertising campaigns was largely effective as a result.

Defence accepts the key findings of the report and the three recommendations. Defence is committed to strengthening policies and practices to further optimise adherence to the Government's advertising framework and related guidelines, and the overall effectiveness of ADF advertising campaigns.

Attached to this letter are Defence's proposed amendments, editorials and comments (**Annex A**), response to request for information (**Annex B**), response to proposed recommendations (**Annex C**); and Defence's summary response (**Annex D**). These constitute Defence's formal response to the section 19 proposed report.

Our point of contact is the ANAO Liaison Officer who can be contacted via email at: anao.lo@defence.gov.au.

Yours sincerely

Greg Moriarty, AO
Secretary

7 June 2024

Angus J Campbell, AO, DSC
General
Chief of the Defence Force

7 June 2024

Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's Corporate Plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
 - strengthening governance arrangements;
 - introducing or revising policies, strategies, guidelines or administrative processes; and
 - initiating reviews or investigations.
4. During the course of the audit, the ANAO did not observe changes in Defence's approach to its management of recruitment advertising campaigns.

Appendix 3 Campaign principles

1. The December 2022 *Australian Government Guidelines on Information and Advertising Campaigns* set out the five overarching campaign principles. Paragraph 11 of the Guidelines provides that:

These Guidelines are a government policy. Entities subject to the Guidelines must be able to demonstrate compliance with the five overarching principles when planning, developing and implementing publicly-funded information and advertising campaigns. The principles require that campaigns are:

- relevant to government responsibilities
- presented in an objective, fair and accessible manner
- objective and not directed at promoting party political interests
- justified and undertaken in an efficient, effective and relevant manner, and
- compliant with legal requirements and procurement policies and procedures.

2. The Principles are:

Principle 1: Relevant to government responsibilities

23. In demonstrating compliance with this principle considerations include:

- The subject matter of the campaign directly relates to the Government's responsibilities
- The policy or program is underpinned by:
 - legislative authority; or
 - appropriation of the Parliament; or
 - a Cabinet Decision which is intended to be implemented during the current Parliament

24. Examples of suitable uses for government campaigns include to:

- inform the public of new, existing or proposed government policies, or policy revisions;
- provide information on government programs or services or revisions to programs or services to which the public are entitled;
- inform consideration of issues;
- disseminate scientific, medical or health and safety information; or
- provide information on the performance of government to facilitate accountability to the public.

Principle 2: Presented in an objective, fair and accessible manner

25. In demonstrating compliance with this Principle considerations include:

- The recipients of the information can distinguish between facts, comment, opinion and analysis;
- Information presented as a fact, is accurate and verifiable;

- The basis of factual comparisons is clear and does not mislead the recipient about the situation;
- Pre-existing policies, products, services and activities are not presented as new;
- Special attention is paid to communicating with disadvantaged individuals or groups identified within the target audience. Particular attention is paid to meeting the information needs of Aboriginal and Torres Strait Islander Australians, the rural community, people with disability and those for whom English is not a convenient language in which to receive information;
- Imagery used in campaigns appropriately reflects the diverse range of Australians. Where it is consistent with the campaign objectives, this includes the realistic portrayal of the full participation of women, Aboriginal and Torres Strait Islander Australians, culturally and linguistically diverse communities and people with disability; and
- Campaigns are tested with target audiences to indicate they are engaging and perform well against their objectives.

Principle 3: Objective and not directed at promoting party political interests

26. In demonstrating compliance with this Principle considerations include:

- Language used in the campaign is objective language and is free of political argument; and
- Campaigns must not try to foster a positive impression of a particular political party or promote party political interests.

27. Campaigns must not:

- a. mention the party in Government by name;
- b. directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposition parties or groups;
- c. include party political slogans or images;
- d. be designed to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament; or
- e. refer or link to the web sites of politicians or political parties.

Principle 4: Justified and undertaken in an efficient, effective and relevant manner

28. In demonstrating compliance with this Principle considerations include:

- Campaigns are only instigated where a need is demonstrated, target recipients are clearly identified and the campaign is informed by appropriate research or evidence;
- Campaign information clearly and directly affect the interests of recipients;
- The medium and volume of the advertising activities is cost effective and justifiable within the budget allocated to the campaign;
- Distribution of unsolicited material should be carefully controlled; and
- Campaigns are evaluated to determine effectiveness.

Principle 5: Compliant with legal requirements and procurement policies and procedures

29. The manner of presentation and the delivery of campaigns must comply with all relevant laws including:

- a. laws with respect to broadcasting and media;
- b. privacy laws;
- c. intellectual property laws;
- d. electoral laws;
- e. trade practices and consumer protection laws; and
- f. workplace relations laws.

30. Procurement policies and procedures for the tendering and commissioning of services and the employment of suppliers are to be followed, and there must be a clear audit trail regarding decision making.