

The Auditor-General  
Report No.2 2009–10  
Assurance Report

## **Campaign Advertising Review 2008–09**

Australian National Audit Office

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of Australia 2009

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Canberra ACT  
7 September 2009

Dear Mr President  
Dear Mr Speaker

The Australian National Audit Office has undertaken an assurance report in accordance with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit and the accompanying brochure. The report is titled *Campaign Advertising Review 2008–09*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee'.

Ian McPhee  
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

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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# Abbreviations

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A-G Act	<i>Auditor-General Act 1997</i>
AGD	Attorney-General's Department
CAB	Communications Advice Branch
CAS	Central Advertising System
DEEWR	Department of Education, Employment and Workplace Relations
Finance	Department of Finance and Deregulation
FMA Act	<i>Financial Management and Accountability Act 1997</i>
GCU	Government Communications Unit
the Guidelines	<i>Guidelines on Campaign Advertising by Australian Government Departments and Agencies</i>
Health	Department of Health and Ageing
IDCC	Interdepartmental Committee on Communications
JCPAA	Joint Committee of Public Accounts and Audit
MCGC	Ministerial Committee on Government Communications
PM&C	Department of Prime Minister and Cabinet
SMOS	Special Minister of State

# Summary

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## Introduction

1. On 2 July 2008, consistent with its policy platform, the Government announced the *Guidelines on Campaign Advertising by Australian Government Departments and Agencies* (the Guidelines) to govern the content and presentation of Commonwealth Government campaign advertising. Agencies subject to the *Financial Management and Accountability Act 1997* (the FMA Act) are required to comply with the Guidelines, which require that a Minister only launch an advertising campaign when:

- the Chief Executive of the agency undertaking the campaign has certified that the campaign complies with the Guidelines and relevant government policies; and
- for campaigns with expenditure in excess of \$250 000, the Auditor-General has provided a report to the Minister on the proposed campaign's compliance with the Guidelines.

2. Prior to the November 2007 Federal Election, the Government's information activities were coordinated by the Special Minister of State, who chaired the Ministerial Committee on Government Communications (MCGC). The MCGC approved the design and implementation relating to major and sensitive information campaigns. The (then) Government's general administrative requirements in relation to the management of information campaigns were set out in the *Guidelines for Australian Government Information Activities - Principles and Procedures*, February 1995.

3. Campaign advertising has been subject to a number of audits and inquiries over the years:

- an Australian National Audit Office (ANAO) audit of Commonwealth Government information and advertising in Audit Report No.30 1994-95;<sup>1</sup>
- the ANAO further examined aspects of the administration of government advertising in Audit Report No.12 1998-99;<sup>2</sup>

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<sup>1</sup> Australian National Audit Office, ANAO Audit Report No.30 1994-95, *Commonwealth Government Information and Advertising*, Canberra.

- the Joint Committee of Public Accounts and Audit (JCPAA) examined Audit Report No.12 of 1998-99<sup>3</sup> and, amongst other things, recommended new guidelines for Commonwealth government advertising;
  - the Senate Finance and Public Administration References Committee undertook an inquiry into government advertising and accountability, recommending, amongst other things, that the JCPAA draft guidelines be adopted;<sup>4</sup> and
  - an ANAO audit of the administration of contracting in relation to government advertising, Audit Report No.24 of 2008-09,<sup>5</sup> made four recommendations aimed at improving the administration of campaign advertising.
4. Given the continuing public interest, it is expected that the ANAO will continue to examine government advertising as part of our performance audit program in the future.

## Report objective

5. As an element of the arrangements implemented to support the role of the ANAO in reviewing campaigns' compliance with the Guidelines announced on 2 July 2008, the ANAO advised the chair of the JCPAA that the ANAO will provide regular summary reports to Parliament. Section 25 of the *Auditor-General's Act 1997* provides for the tabling of such reports.

6. This report provides the ANAO's perspective on the operation of the government advertising framework over the first 12 months of operation. The report provides an overview of the current framework for government advertising, identifies the roles of the various agencies, including the ANAO, and provides information on the assurance review activity for government advertising campaigns conducted by the ANAO. In considering the experience

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<sup>2</sup> Australian National Audit Office, ANAO Audit Report No.12 1998-99, *Taxation Reform – Community Education and Information Programme*, Canberra.

<sup>3</sup> Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, Report No. 377, Parliament House, Canberra, 2000.

<sup>4</sup> Senate Finance and Public Administration Committee, *Government Advertising and Accountability*, Canberra, 2005.

<sup>5</sup> Australian National Audit Office, Audit Report No.24 2008-09, *The Administration of Contracting Arrangements in relation to Government Advertising to November 2007*, Canberra.



of the ANAO in undertaking assurance reviews during the financial year, the report also discusses key issues identified by the ANAO during 2008–09.

## Overall conclusion

7. The announcement by the Government of the Guidelines in July 2008, drawing on the earlier proposals from the JCPAA and the ANAO, was a positive step in articulating the principles and expectations to be applied by agencies<sup>6</sup> in undertaking advertising campaigns.

8. Historically, one of the most challenging areas in relation to advertising campaigns has been achieving clarity in the roles of Ministers and their offices on the one hand, and agencies on the other. The involvement of Ministers and their offices under former arrangements in making key decisions in approving strategies and briefs, in selecting certain consultants, and in the approval of final creative material and media plans meant that the basis for decisions and the accountability for decisions were not always clear.<sup>7</sup> In announcing the new Guidelines<sup>8</sup>, the Minister for Finance and Deregulation and the Cabinet Secretary and Special Minister of State noted that ‘Ministers will be briefed on the progress of campaign development, but responsibility for that development will be wholly undertaken by the commissioning department...’.<sup>9</sup>

9. Agencies have commenced, and are continuing to, transition their administrative arrangements to include consideration of the requirements of the Guidelines at the inception of their communications strategy planning. As a consequence, agency processes are increasingly focusing on the key elements of the Guidelines which require documented justification of campaigns on cost, need, and relevance to government responsibilities. Agencies must also specify the desired outcomes and have clarity around the specific target audience for the campaign, based on research. Further, research undertaken by agencies provides the basis for the subsequent monitoring of the achievement of

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<sup>6</sup> For the purposes of this report, the term ‘agencies’ is to be taken as applying to those departments and agencies subject to the *Financial Management and Accountability Act 1997*.

<sup>7</sup> Australian National Audit Office, ANAO Audit Report No.24 2008–09, op. cit.

<sup>8</sup> The *Business Planning Processes for Campaign Information and Advertising Activities* issued by Department of Finance and Deregulation (Finance) in February 2009, complement the Guidelines by setting out the roles and responsibilities of the Cabinet Secretary, Ministers, and agencies, amongst others.

<sup>9</sup> Tanner, the Hon Lindsay MP (Minister for Finance and Deregulation), and Faulkner, Senator the Hon John (Cabinet Secretary and Special Minister of State) 2009, *New Advertising Guidelines*, Joint Media Release, Parliament House, Canberra, 2 July 2009.

identified objectives, and informed decisions concerning the ongoing need for the campaign. The end result is a more systematic approach to justifying and conducting government advertising campaigns.

10. The ANAO has observed agencies cooperating and sharing knowledge, based on their experiences, and providing examples of work and analyses they have undertaken during the preparation of campaigns.

11. The involvement of the ANAO has often resulted in better targeted and supported campaigns. Through the assurance review, the ANAO has clearly signalled the standard of supporting evidence required from agencies to demonstrate adherence to the Guidelines, and has provided timely assurance to Ministers, Parliament and the public regarding agencies' performance in relation to the Guidelines. The ANAO's involvement requires agencies to provide evidence to demonstrate performance against the individual Guidelines, bringing a greater level of clarity as to the responsibilities of the agency in the development and implementation of campaigns than was previously the case.<sup>10</sup>

12. Overall, the Guidelines are generally holding up well, and have been particularly useful in establishing the principles required for relevant government advertising campaigns. However, there remains further room for agencies to adjust business processes to better align with the requirements of the Guidelines. Also, there are several areas where, in the light of experience, the Guidelines could be refined or supplemented by additional guidance. The ANAO has written to the Special Minister of State<sup>11</sup> and the Chair of the JCPAA, to provide information on specific matters where the Guidelines could be refined or supplemented.

13. These matters include: greater use of developmental research to inform the communication strategy; providing greater clarity on the requirements of the cost benefit analysis; providing greater clarity around the boundary between business as usual communication activities and activities which are subject to the Guidelines; providing greater clarity on which advertising

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<sup>10</sup> Australian National Audit Office, ANAO Audit Report No.24 2008–09, *The Administration of Contracting Arrangements in relation to Government Advertising to November 2007*, Canberra.

<sup>11</sup> While the role of the Cabinet Secretary and Special Minister of State is undertaken concurrently, the Guidelines refer specifically to the Cabinet Secretary.

activities fall within the campaign advertising definition;<sup>12</sup> and having agencies present campaign documentation on their websites.

14. There is also a need for some agencies to refine their administrative processes to ensure that all materials for a campaign, including material in languages other than English, are presented for ANAO review at the same time. The presentation of component parts of one campaign for review leads to multiple review reports, and a duplication of effort for both the agency concerned, and for the ANAO.

## Key findings by chapter

### Chapter 2 – The campaign advertising governance framework

15. The Department of Finance and Deregulation (Finance) is responsible for supporting the Cabinet Secretary in maintaining and reviewing the current Guidelines and for providing guidance to agencies that may be considering conducting advertising campaigns. The ANAO provides a report, for campaigns with expenditure in excess of \$250 000, to the relevant Minister on the proposed campaigns' compliance with the Guidelines.

16. The review undertaken by the ANAO is not an audit, but is designed to provide limited assurance (through inquiry, observation and analysis of key documents and information) that the campaign is in compliance with the Government's Guidelines.

17. The benefit of the assurance review activity is that it provides timely feedback, and enables the agency to decide at an early stage to modify the campaign if required. It also complements the more comprehensive perspective achieved through the performance audit program. This approach is consistent with the ANAO's goal of improving public administration through assurance activities.

18. During 2009, the ANAO appeared before the JCPAA and Senate Finance and Public Administration Committees in relation to our review role in respect of the Guidelines. On these occasions Committee members have sought information relating to the ANAO's role, the level of assurance

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<sup>12</sup> This includes the consideration of alternative advertising mediums including material either created specifically for, or displayed on, agency and specific purpose websites. Agency websites are usually informational based, websites that cover all of an agency's general business activities. Specific purpose websites are usually created for a program or as part of a communication campaign.

provided by the ANAO in relation to these reviews and our review methodology.

19. The JCPAA inquiry into the role of the Auditor-General in scrutinising government advertising has involved two public hearings to date (in March and May 2009), and further hearings are scheduled for later in 2009.

### **Chapter 3 – 2008–09 assurance review activity and review related matters**

20. The ANAO has established a small team to undertake the assurance review of advertising campaigns. Some additional budget funding for this review activity was provided to the ANAO when the initiative was introduced.

21. As at 30 June 2009, 58 reports have been issued to responsible Ministers in respect of 28 discrete advertising campaigns conducted within 12 portfolios. One campaign, providing public information on a potential swine influenza pandemic event, was exempted from the Guidelines by the Cabinet Secretary.

22. During the course of a number of reviews, matters have arisen which have not directly impacted on the review's conclusions, but have highlighted agency processes or practices which could be improved. Where this is the case, a letter from the ANAO listing these matters is issued to the agency concerned. These matters have related to: the rigour of cost benefit analyses; the need to present material for review in a timely manner; timing of procurement processes; and administrative and control processes within agencies.

### **Chapter 4 – General governance framework issues**

23. The ANAO and agencies have implemented arrangements to respond to the new requirements for government advertising, and processes are being refined in the light of experience. The ANAO has worked closely with Finance and relevant agencies in implementing the new approach to government advertising. Some agencies still have work to do to align their business processes to support effective compliance with the core requirements of the Guidelines, but a commitment to improve is evident.

24. A number of agencies have developed better practices during 2008–09, particularly in relation to: the establishment of sound internal quality assurance processes to assess compliance with the Guidelines; closely monitoring campaigns to determine the degree to which they are achieving their objectives; and providing campaign related material on agency websites.

In addition, there has been a willingness on the part of agencies to share information, including key campaign review documents, to assist and guide other agencies less experienced in the campaign assurance process.

25. The Guidelines have been particularly useful in reinforcing a value for money approach for all government advertising campaigns. However, as noted at paragraphs 12 and 13, there are some areas where, in the light of experience, the Guidelines could be refined or supplemented by additional guidance; these matters have been brought to the attention of the Special Minister of State and to the Chair of the JCPAA.

# 1. Background to the Government Advertising Review Process

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## Introduction

**1.1** Advertising is a legitimate element of government communication and information strategies. It provides a mechanism for governments to connect directly with citizens, informing them about new and existing government programs, providing advice about rights and responsibilities and conveying important information.

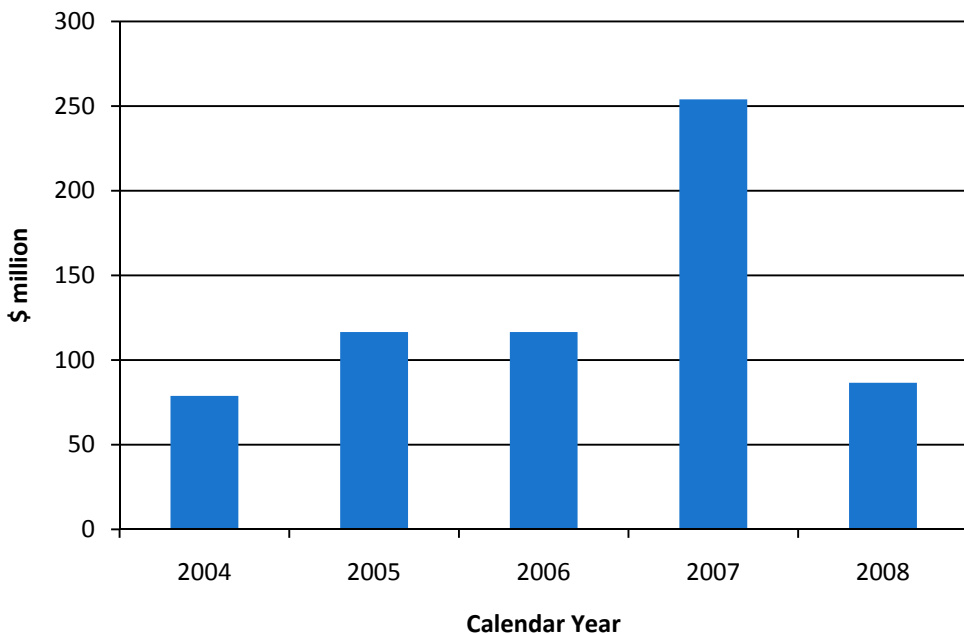
**1.2** The strategies that guide government communications, including advertising, are often formulated as a part of the policy development and delivery process. Agencies<sup>13</sup> employ a wide variety of delivery channels to advertise, ranging from the publication of mandatory notices in the press and the Government gazette to building a presence on *YouTube*. While many Government agencies maintain a substantive internal communications capacity, the demands of modern media techniques and markets results in more sophisticated advertising campaigns drawing heavily on the expertise of private sector service providers.

**1.3** The annual cost<sup>14</sup> of advertising rose from \$79 million in 2004 to \$254 million 2007 (an increase of more than 220 per cent) before dropping back to \$87 million in 2008 (see Figure 1.1).

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<sup>13</sup> For the purposes of this report, the term 'agencies' is to be taken as applying to those departments and agencies subject to the *Financial Management and Accountability Act 1997*.

<sup>14</sup> The costs refer to campaign advertising undertaken by agencies subject to the *Financial Management and Accountability Act 1997*.

**Figure 1.1****Expenditure on campaign advertising by FMA agencies - 2004 to 2008<sup>15</sup>**

Source: <<http://www.finance.gov.au/Advertising/docs/biannual-report.pdf>> [accessed 3 July 2009]

## Administration and reporting

**1.4** On 2 July 2008, the Government announced the *Guidelines on Campaign Advertising by Australian Government Departments and Agencies* (the Guidelines) to govern the presentation and content of Commonwealth government advertising campaigns. In announcing the Guidelines, the Government noted that:

...these guidelines are consistent with the Auditor-General's guidelines and the JCPAA's recommendations. What's more, these guidelines impose tougher and more rigorous processes for the approval of any advertising campaign. Under these guidelines, the head of the agency concerned has to sign off that a campaign meets the new guidelines. And the new guidelines require the Auditor-General to provide a report on each campaign, giving his views of

<sup>15</sup> This data is only available for the period 2004 to 2008. Earlier information on expenditure through the Central Advertising System is not comparable to the later data, owing to the inclusion of expenditure by agencies not subject to the *Financial Management and Accountability Act 1997*.

whether the guidelines have been met. And the Auditor-General will be making his views public.

**1.5** Agencies subject to the *Financial Management and Accountability Act 1997* (the FMA Act) are required to comply with the Guidelines. The new arrangements in relation to government advertising came into effect in June 2008, ahead of the public announcement of the new approach and the Guidelines. The first review undertaken by the Australian National Audit Office (ANAO) related to a proposed campaign concerning changes to the Child Care Tax Rebate, with the review report signed on 24 June 2008.<sup>16</sup>

**1.6** Prior to the November 2007 Federal Election, the Government's information activities were coordinated by the Special Minister of State. The Minister chaired the Ministerial Committee on Government Communications (MCGC), which decided on all key matters relating to major and sensitive information campaigns (including advertising campaigns) undertaken by Australian Government agencies. Support for the MCGC was provided by the Government Communications Unit, located in the Department of Prime Minister and Cabinet (PM&C).

**1.7** The (then) Government's general administrative requirements in relation to the management of information campaigns were set out in the *Guidelines for Australian Government Information Activities – Principles and Procedures, February 1995*. These arrangements required that all major and/or sensitive<sup>17</sup> information activities be approved first by the responsible Minister and then brought before the MCGC for approval<sup>18</sup> and sought to ensure that departmental information programs met the Government's priorities and objectives, and used appropriate techniques of communication.

**1.8** The extent of government advertising activity and the potential benefit such advertising might provide to incumbent governments has been the subject of ongoing debate and scrutiny.

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<sup>16</sup> For the purposes of completeness, this report is included in the 2008–09 statistics.

<sup>17</sup> 'Sensitive' was defined as including issues which might offend sections of the community or may produce negative reactions from the community group being addressed or its opponents.

<sup>18</sup> Approval was required to be sought for all information activities for which it was proposed to engage the services of consultants, and was required regardless of whether the proposed activity included paid advertising.



## Previous external scrutiny of government advertising

**1.9** The ANAO conducted an audit of Commonwealth Government information and advertising in 1994–95.<sup>19</sup> The objective of the audit was to assess the economy, efficiency and administrative effectiveness of government information and advertising activities. The audit focused on planning, implementation, coordination and evaluation of information and advertising, with a particular focus on:

- the decision making process; and
- the use of consultants and advertising agencies.

**1.10** The audit made 25 recommendations covering all aspects of the administration of government advertising. These recommendations were generally agreed.

**1.11** The ANAO further examined aspects of the administration of government advertising in Audit Report No.12, 1998–99.<sup>20</sup> The objective of this audit was to consider issues raised by the Leader of the Opposition in the Senate in respect of the Government’s community education and information program in support of new taxation arrangements. The audit made a number of suggestions regarding campaign administration, including that the Government consider adopting principles and guidelines for the development, content and presentation of government advertising.

**1.12** In its September 2000 report *Guidelines for Government Advertising* (No 377) the Joint Committee for Public Accounts and Audit (JCPAA) considered Audit Report No.12 1998–99 and recommended the Government adopt guidelines for advertising, similar to those proposed earlier by the ANAO. The Committee did not produce a minority report but noted that one member:

... dissented from the components of the guidelines entitled *Material should not be liable to misrepresentation as party political* on the following grounds:

in a highly combative political system, materials which are totally nonpartisan are open to misrepresentation as party political; and

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<sup>19</sup> Australian National Audit Office, ANAO Audit Report No.30, op. cit.

<sup>20</sup> Australian National Audit Office, ANAO Audit Report No.12, op. cit.

the ...factors which are used to determine whether material can be perceived as 'party political' in this report do not provide a sufficiently clear and objective basis for assessing whether or not such a perception is valid.<sup>21</sup>

**1.13** The recommendations of the JCPAA were not taken up by the Government of the day. In responding to the chair of the JCPAA on 11 August 2004, the (then) Special Minister of State and the Chair of the MCGC wrote:

I note from the Chairman's Foreword to Report 377 that the Committee wished to produce draft guidelines for the government to consider. I also note that these draft guidelines were the subject of a strong and cogent dissenting statement from the only member of your Committee with extensive current experience in the area of Government communications activities. I can advise that the government has considered this matter and decided not to adopt those draft guidelines.

**1.14** In 2004 and 2005, the Senate Finance and Public Administration References Committee undertook an inquiry into government advertising and accountability, with the non-government majority report of December 2005<sup>22</sup> making a number of recommendations aimed at improving administrative processes and overall governance, including:

- that the Government adopt guidelines for government advertising based on those previously recommended by the Auditor-General and the JCPAA;
- that the Auditor-General assess and report on the compliance with the Guidelines of all campaigns valued at more than \$250 000;
- that the 1995 *Guidelines on Australian Government Information Activities* be urgently updated; and
- that the evaluation of campaigns and the reporting of advertising expenditure be improved, including the publication by PM&C of an annual report on government advertising.

**1.15** In a minority report from the then Government, Senators did not concur with the findings and recommendations of the majority. The Government tabled an interim response in the Senate on 7 December 2006,

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<sup>21</sup> Joint Committee of Public Accounts and Audit, Report No. 377, op. cit. (SM p. 3).

<sup>22</sup> Senate Finance and Public Administration References Committee, op. cit.

noting that ‘the government response is being considered and will be tabled in due course’. While no final response to the Committee’s report has been tabled in Parliament, key elements of the recommendations (the adoption of guidelines, the involvement of the Auditor-General and the reporting of advertising expenditure) were the focus of the Government’s revised governance framework announced on 2 July 2008.

**1.16** On 5 March 2009, the ANAO tabled an audit examining the administration of contracts in relation to government advertising to November 2007.<sup>23</sup> The audit focussed on the effectiveness of the procurement and contracting associated with:

- the design, development and delivery of government advertising campaigns by Commonwealth agencies; and
- the operation of the Central Advertising System (CAS).<sup>24</sup>

**1.17** The audit examined governance issues bearing on departmental administration of campaigns, including PM&C’s role in relation to the administration of the CAS and in advising agencies and supporting the operations of the MCGC in respect of campaign administration. In this regard the audit considered a small number of completed advertising campaigns including:

- the second phase of the National Security Campaign, administered by the Attorney-General’s Department (AGD) between 2003 and 2006;
- the Private Health Insurance Campaign, administered by the Department of Health and Ageing (Health) in 2007; and
- Workplace Relations Reform campaigns in 2005 and 2007, administered by the (then) Department of Employment and Workplace Relations (now the Department of Education, Employment and Workplace Relations (DEEWR)).

**1.18** Overall, the audit found the decision making framework was not well aligned with the requirements of the financial framework. Responsibility for key decisions was fragmented between Ministers and agencies. There was also a failure by agencies to ensure that procurement and contracting

<sup>23</sup> Australian National Audit Office, ANAO Audit Report No.24, op. cit.

<sup>24</sup> The Central Advertising System consolidates government advertising expenditure and obtains media booking discount rates through whole-of-government negotiations.

decisions were taken in a timely manner and were properly documented. This often resulted in an inability to demonstrate that all of the requirements of the financial framework had been observed. The audit also found that the implementation and administration of the contracts relating to the CAS master media placement firms was poorly managed by PM&C.

**1.19** The campaigns and administrative actions examined in the course of the audit were undertaken within the context of the administrative regime that applied prior to the 24 November 2007 Federal election. The audit did not examine the effectiveness of subsequent revisions to administrative arrangements and governance frameworks for government advertising, although the recommendations provided by the report were framed in the context of the new arrangements. The report made four recommendations aimed at improving the administration of procurement, contracting, performance evaluation and reporting relating to campaign advertising, and improving the administration of the CAS. Relevant agencies all agreed with the recommendations.

## 2. The Campaign Advertising Governance Framework

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### An introduction to the governance framework

2.1 The Department of Finance and Deregulation (Finance) is responsible for supporting the Cabinet Secretary<sup>25</sup> to review and maintain the current Guidelines and for providing guidance to agencies that may be considering conducting advertising campaigns. The governance framework consists of a number of elements including:

- the Guidelines, which include supporting information, an explanation of the underlying principles and a description of campaign costs and activities;
- the Communications Advice Branch (CAB) in Finance which provides advice, guidance and support to agencies;<sup>26</sup>
- the Interdepartmental Committee on Communications (IDCC), chaired by Finance, which provides advice and guidance to agencies from a whole-of-government perspective;
- the Chief Executive of the commissioning agency's certification against the Guidelines; and
- the Auditor-General's review and subsequent report to the relevant agency's Minister on the proposed campaign's compliance with the Guidelines.

2.2 There are five Guidelines, prefaced by a number of overarching principles and underpinned by supporting statements. The Guidelines state that:

- campaign material should be relevant to government responsibilities;

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<sup>25</sup> The Guidelines refer to the responsibilities of the Cabinet Secretary.

<sup>26</sup> In February 2009, The Department of Finance and Deregulation released the *Business Planning and Processes for Campaign Information and Advertising Activities* which provides further advice and support to agencies when planning and undertaking campaigns. This document informs departments and agencies which are subject to the *Financial Management and Accountability Act 1997* that the processes included in the document must be complied with.

- campaign material should be presented in an objective, fair and accessible manner;
- campaign material should not be directed at promoting party political interests;
- campaign material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability; and
- advertising must comply with legal requirements.

## The role of the ANAO

2.3 The ANAO has agreed, for campaigns with anticipated expenditure in excess of \$250 000, to provide a report to the relevant Minister on the proposed campaign's compliance with the Guidelines. While it is also open to a Minister to ask the Auditor-General to provide a report on campaigns valued at less than \$250 000 or that are sensitive in nature, all campaigns reviewed to date have involved expenditure in excess of \$250 000. The ANAO was consulted by Finance on the development and implementation of the framework to support the operation of the Guidelines.

2.4 The review undertaken by the ANAO as the basis for the Auditor-General's report is not an audit but is designed to provide limited assurance<sup>27</sup>, on the basis of inquiry, observation and analysis of key documents and information, of compliance with the Guidelines.

2.5 The reports are provided in accordance with the functions and powers under the *Auditor-General Act 1997*, in particular section 20(1)(c), which allows the Auditor-General to enter into an arrangement with any person or body to provide services of a kind commonly performed by auditors. To support the arrangement, on 2 July 2008 the ANAO issued a letter to 25 agencies proposing arrangements for the conduct of the reviews required by the Guidelines.<sup>28</sup> Under these arrangements, agencies are responsible for:

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<sup>27</sup> Further information regarding limited assurance reviews is included in paragraph 2.14.

<sup>28</sup> Appendix 2 contains a list of those agencies who have responded to the letter issued by the Auditor-General confirming agreement with the arrangement. The appendix lists 26 agencies, with the Australian Organ and Tissue Donation and Transplantation Authority letter issued in March 2009.

- advising the ANAO, as early as possible, about impending campaigns and briefing the ANAO at strategic milestones of campaign development;
- providing the ANAO with details of contact officials for each relevant campaign;
- providing the ANAO with full and free access to inspect and take copies of relevant records and information held by agencies or by their agents and sub-contractors who may be engaged by them to assist with relevant advertising campaigns; and
- providing access for the ANAO to conduct discussions with officials of the agency, its agents and sub-contractors in relation to reviews being undertaken.

2.6 Agencies are advised that undertaking these reviews does not limit the Auditor-General’s discretion to include matters reviewed against the Guidelines from also being included within the scope of other audit activity at another time.

## The role of the Department of Finance and Deregulation

2.7 Finance’s role in administering the Guidelines encompasses policy advice, whole-of-government coordination and assistance to agencies. This role is primarily managed by CAB within Finance, and includes:

- supporting the Cabinet Secretary to review and maintain the Guidelines;
- providing guidance on campaign processes;
- establishing and managing multi-use list(s) or panels of specialist consultants to be used by agencies for campaigns;<sup>29</sup>
- managing whole-of-government contracts for media buying and placement;

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<sup>29</sup> The Department of Finance and Deregulation *Business Planning Processes for Campaign Information and Advertising Activities*, February 2009, states that agencies must use any multi-use list or contract panel for specialist communication consultants established by Finance for campaigns. For example, the communications multi-use list has been in operation since 31 March 2009.

- providing advice and assistance to agencies on the selection processes for consultants, including the development of briefs, and advising on suitable shortlists of consultants;
- chairing the IDCC and providing secretariat services to the IDCC;
- providing advice on appropriate branding and authorisation for campaign materials; and
- providing bi-annual reports to Parliament on government campaign expenditure.

2.8 Chief Executives are required to provide Finance with a certification that the campaign being undertaken complies with the Guidelines and to ensure that the IDCC is informed.<sup>30</sup> Agencies are also expected to provide an overview of post campaign evaluation activity. This requirement was identified in the *Business Planning Processes for Campaign Information and Advertising Activities*, and following their promulgation in February 2009, Finance has received some Chief Executive certifications and post campaign evaluations.

2.9 In March 2009 Finance produced the first Half Year Report on campaigns undertaken from 1 July to 31 December 2008.<sup>31</sup> This report uses the CAS<sup>32</sup> as the source of campaign advertising expenditure. The Half Year Report uses the cost of media placement, rather than the total budget for the campaign. The first Half Year Report notes that the end of year reports will encompass the complete financial year and report on both direct campaign advertising expenditures and associated indirect expenditures such as campaign advertising research and evaluation. Finance advise that the Full Year Report on Campaign Advertising will be tabled by the end of the third quarter in 2009.<sup>33</sup>

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<sup>30</sup> Chief Executives provide the ANAO with a certification only for those campaigns with expenditure over \$250 000, which are itemised in Chapter 3.

<sup>31</sup> Department of Finance and Deregulation *Campaign Advertising by Australian Government Departments and Agencies Half Year Report 1 July to 31 December 2008*, March 2009.

<sup>32</sup> The Central Advertising System consolidates government advertising expenditure and enables the negotiation of media booking discount rates through whole-of-government purchasing arrangements.

<sup>33</sup> Department of Finance and Deregulation, *op.cit.*, p.vi.



## The Interdepartmental Committee on Communications

**2.10** The IDCC is a committee of Deputy Secretaries which provide a whole-of-government perspective on campaigns.<sup>34</sup> The IDCC is chaired by Finance, with other members drawn from PM&C, DEEWR, Health, the Department of Defence and the Department of Human Services. A representative from the ANAO has been invited by Finance to attend the meetings as an observer.

**2.11** The IDCC considers campaigns from a whole-of-government perspective, including whether campaigns have competing and/or conflicting messages, and are likely to meet the government's broader messaging and policy settings. At the JCPAA hearing on 11 March 2009, Finance advised the Committee that:

'The IDCC's responsibility is advisory in nature. It is an advisory committee. We provide advice to agencies and as needed will provide advice to the Minister for Finance and Deregulation and to the Special Minister of State'<sup>35</sup>.

Finance further advised the JCPAA that: '... the role of the IDCC and also the Communications Advisory Branch is advisory in nature. Accountability sits with the agencies concerned'.<sup>36</sup> As appropriate, the IDCC also provides advice to agencies on whether campaigns may face difficulty in complying with the Guidelines and associated processes. The IDCC may report on the progress of campaigns to the Secretary of Finance and Deregulation, the responsible Minister, and the Cabinet Secretary.

**2.12** The IDCC may also review the Guidelines and associated policies and processes relating to campaign development, and recommend changes. In this capacity the IDCC reports through the Chair directly to the Secretary of Finance and Deregulation and the Cabinet Secretary.<sup>37</sup>

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<sup>34</sup> The IDCC has Terms of Reference to guide their functions, which covers matters such as role and responsibilities, members, secretariat arrangements, and the use of an expert panel to advise the IDCC as is required.

<sup>35</sup> Joint Committee of Public Accounts and Audit, *Role of the Auditor-General in scrutinising government advertising*, Hansard, 11 March 2009, p. 21.

<sup>36</sup> *ibid.*, p. 34.

<sup>37</sup> Department of Finance and Deregulation, *Business Planning Processes for Campaign Information and Advertising Activities*, June 2008, Finance, Canberra, 2008, p. 3., para. 17.

## Campaign exemptions

**2.13** The Guidelines provide for the Cabinet Secretary to exempt campaigns from having to comply with the Guidelines on the basis of national emergency, extreme urgency or other extraordinary reasons the Cabinet Secretary considers appropriate. When a campaign is exempted the Auditor-General is advised and the reasons are also formally reported to the Parliament.<sup>38</sup> Further information regarding exempt campaigns may be found at paragraph 3.7.

## Assurance reviews

**2.14** The reviews undertaken by the ANAO of a campaign's compliance with the Guidelines are conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. Each review is designed to ensure sufficient appropriate evidence is obtained to enable a conclusion to be formed in relation to the proposed campaign's compliance with the Guidelines. The ANAO conducts the review by making enquiries and performing procedures as are considered reasonable in the circumstances including:

- examining all relevant campaign materials including, for example, television, cinema and radio commercials, print and magazine advertisements, letters and on line and digital content;
- reviewing supporting documents and records relevant to the campaign, including but not limited to strategic documents, policy and administrative approvals, developmental and market research, financial approvals and procurement documentation, and advice and assurances from third parties;
- enquiries of staff and contractors involved with the preparation of the campaign;
- an assessment of the reasonableness of the judgements made by the administering agency against each of the Guidelines; and

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<sup>38</sup> *ibid.*, p. 3, para. 7.

- an examination of the certification<sup>39</sup> and management representation letter<sup>40</sup> by the Chief Executive.

**2.15** The ANAO review does not extend to an assessment of the general system controls and supporting procedures in place in agencies to manage their advertising activities, but focuses on matters relating specifically to the proposed campaign. A review of this nature provides less assurance than an audit.

## **ASAE 3000 assurance reviews**

**2.16** As mentioned earlier, where the ANAO undertakes an assurance review, it is conducted in accordance with ASAE 3000. This standard identifies the requirements of the assurance review, including matters relating to planning and conducting or performing the engagement or review, obtaining evidence, and reporting. The standard also states the objective of a review, which provides clarity as to purpose to the assurance practitioner (i.e. the ANAO, in the case of assurance reviews of government advertising campaigns).

**2.17** ASAE 3000 provides insight on the differences between reasonable and limited assurance engagements:<sup>41</sup>

This ASAE uses the terms ‘reasonable assurance engagement’ and ‘limited assurance engagement’ to distinguish between the two types of assurance engagements that an assurance practitioner may perform:

A reasonable assurance engagement. The objective of a reasonable assurance engagement is a reduction in assurance engagement risk to an acceptably low level in the circumstances of the assurance engagement as the basis for a positive form of expression of the assurance practitioner’s conclusion. Reasonable assurance means a high, but not absolute, level of assurance.

A limited assurance engagement. The objective of a limited assurance engagement is a reduction assurance engagement risk to a level that is

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<sup>39</sup> Department of Finance and Deregulation, op. cit., guidance provides a Certification pro forma for agencies and departments to use.

<sup>40</sup> In order to provide greater assurance as to the campaign’s compliance with the Guidelines, the Auditor-General asks that the Chief Executive provide a letter addressing additional matters, including that the campaign development, method and medium are based on research, and has not been directed by Ministers or their staff. The ANAO provides a suggested template to agencies, included at Attachment 3.

<sup>41</sup> Australian Standard on Assurance Engagements 3000 – *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* Standard, p. 11, section. 5.

acceptable in the circumstances of the assurance engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for a negative form of expression of the practitioner's conclusion.

**2.18** A limited assurance conclusion, as included in the Auditor-General's review reports on government advertising, is generally expressed in the negative form: for example 'based on my review, nothing has come to my attention to show that the Guidelines have not been met'.

## **The ANAO assurance review process**

**2.19** To ensure reviews are able to be undertaken in a timely manner, agencies are encouraged to contact the ANAO early in the initial design of the campaign and again at key points during campaign development. The ANAO may work with an agency over weeks or even months as campaign development proceeds, providing the agency with preliminary feedback on matters arising in respect of each of the Guidelines and ensuring the ANAO is well placed to undertake a final assessment of the campaign at the appropriate time. The ANAO review is separate to, and independent of, any consideration of the proposed campaign and associated materials that may be undertaken by the IDCC.

**2.20** The ANAO gave priority to developing guidance for agencies on the review process and first made this guidance available directly to agencies and through the ANAO website on 25 August 2008. This advice is reproduced at Appendix 1 and is subject to update as required.

**2.21** The ANAO review is generally conducted in parallel with the campaign development. Matters relating to compliance with the Guidelines are raised with the administering agency if and when they arise, with the goal of resolving concerns in the course of campaign development. The process developed whereby the review occurs concurrently with the development of the campaign has the benefit of ensuring that agencies, from the start of the campaign's development, focus on the requirements of the Guidelines. This ensures that rather than developing a campaign and belatedly considering the impact of the Guidelines (potentially after a significant commitment of time and expenditure) the requirements of the Guidelines are considered upfront.

**2.22** Accordingly, by the time the responsible Chief Executive is considering certifying the proposed campaign for compliance with the

Guidelines, the majority of review work will have been concluded and the agency made aware of any outstanding issues on the part of the ANAO.

**2.23** Review reports are provided to the relevant Minister and agency officials in accordance with the agreed arrangements. As soon as practical following the launch of a campaign, the review reports are made available publicly through the ANAO website, with a copy being provided to the Secretariat of the JCPAA for their information.

**2.24** Campaigns can only be approved for launch by the Minister where the Chief Executive has certified that the campaign complies with the Guidelines. For those campaigns with an expenditure in excess of \$250 000, a report from the Auditor-General to the Minister responsible for the agency undertaking the campaign regarding the proposed campaign's compliance is also required.

**2.25** In the course of the JCPAA hearing of 11 March 2009, committee members discussed the potential impact of the review report process on the ANAO's ability to subsequently conduct performance audits that may include consideration of particular advertising campaigns.<sup>42</sup> In practice, both reviews and performance audits provide assurance in relation to aspects of public administration. In terms of the assurance framework developed by the auditing profession, reviews and audits are elements of the assurance continuum, with reviews providing limited assurance and audits providing reasonable assurance; the difference being a function of work effort.

**2.26** The benefit of assurance review activity related to government advertising is that it enables more timely access to information and personnel, and enables the agency to decide at an early stage to modify the campaign if required. It further allows for the provision of timely feedback to agencies individually and collectively. On the other hand, reviews focus only on agency performance in terms of satisfying the Guidelines, culminating in the certificate issued by the agency Chief Executive concerning the compliance of the campaign with the Guidelines. Our reviews provide limited assurance in respect of agencies' adherence to the Guidelines, having regard to time and resource considerations, and do not address issues that have been raised in previous audit reports as being problematic under former arrangements, such as contract management and contractor performance.

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<sup>42</sup> Joint Committee of Public Accounts and Audit, Hansard, 11 March 2009, op. cit.

**2.27** The ANAO involvement requires agencies to provide evidence to demonstrate performance against the individual Guidelines, bringing a greater level of clarity as to the responsibilities of the agency in the development and implementation of campaigns than was previously the case. The value that the ANAO provides through the assurance review process includes:

- timely assurance to responsible Ministers, the Parliament and the public with regard to the agency's performance in relation to the Guidelines, and highlighting opportunities to improve or supplement the Guidelines in the public interest;
- clearly signalling the expectations of the standard of supporting evidence required of agencies to demonstrate adherence to the Guidelines, and providing information to agencies to help them make decisions concerning the requirements of the Guidelines from the inception of a campaign;
- helping agencies to adopt a rigorous and thorough internal business process when developing campaigns; and
- guiding agencies to consider the campaign objectives (including policy objectives) so that agencies can make decisions about the achievements and measures for those objectives, while utilising public money in the most effective and efficient way.<sup>43</sup>

By contributing in this way, the involvement of the ANAO has often resulted in better targeted and supported campaigns.

**2.28** Reviews and audits are complementary, and performing reviews does not exclude the conduct of subsequent performance audits. Rather, the reviews provide information which allows better targeting of decisions. The agreements between the Auditor-General and agencies, which provide the framework for the conduct of reviews of advertising campaigns, note that undertaking these reviews does not limit the Auditor-General's authority to include matters relating to advertising campaigns within the scope of other audit activity at another time.

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<sup>43</sup> These decisions have included agencies amending proposed expenditure, opting to review campaigns at progress points to determine if there are gaps, or if objectives have been achieved prior to the expenditure of the total budget, and amending strategies where agencies have determined that costs for marginal returns are not justified.

## Review report completion

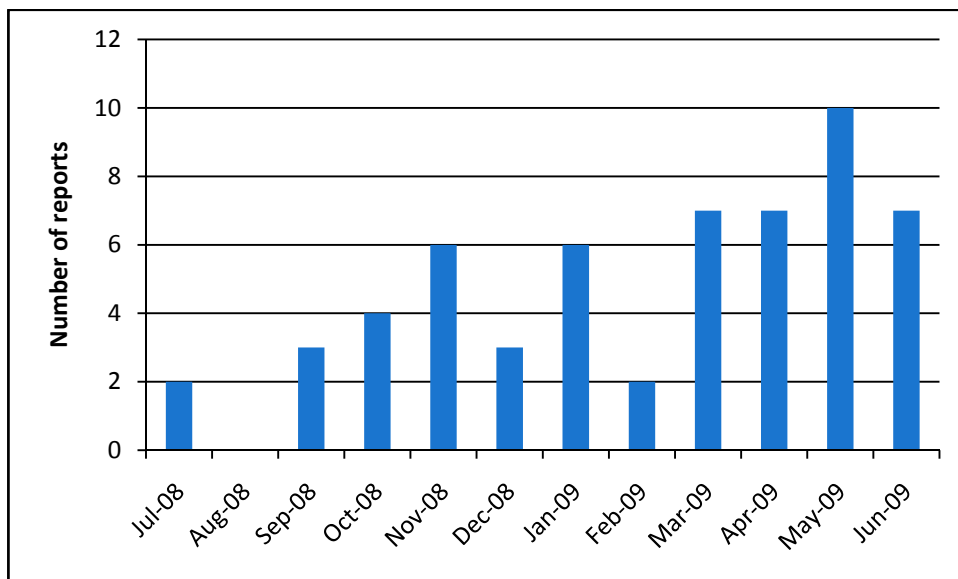
**2.29** Agencies are advised to allow five working days from the receipt of the Chief Executive certification and management representation letter to the issue of the review report. The business processes of agencies have sometimes meant that the review report is not able to be provided to the agency within the standard five working days. The reasons for this vary, but most commonly are:

- the Chief Executive certification and management representation letter are provided to the ANAO in advance of other required material, for example where there may be last minute alterations to creative material; and
- the Chief Executive certification and management representation letter are provided some days after it has been signed, often due to the internal processes of the agency.

**2.30** The timing of the review reports is dictated by the agency, and their timeframe to launch the campaign. Due to the nature of governmental budgeting processes, many agencies receive their funding at the start of the financial year, and develop their campaigns with a view to launching campaigns in the second half of the financial year. This is reflected in the number of reports issued by the ANAO by month in 2008–09, as is indicated by Figure 2.1.

**Figure 2.1**

**2008-09 Review reports issued by month**



Note Table does not include one campaign completed on 24 June 2008.

Source: ANAO analysis.

## Parliamentary scrutiny

### JCPAA

**2.31** In 2009, the JCPAA commenced an inquiry into the role of the Auditor-General in reviewing assurance of government advertising campaigns against the Guidelines. There have been two public hearings, on 11 March and 13 May 2009, with further hearings planned during 2009. The public hearings were held by the JCPAA to investigate how the Auditor-General had been discharging the new responsibility, and to discuss the issues that have arisen since the Government’s announcement, on 2 July 2008, of the Guidelines.<sup>44</sup> The inquiry is on-going at the time of this report.

**2.32** In its submission to the JCPAA, the ANAO reported on the ongoing review activity of advertising campaigns for government agencies that required an independent review report, and confirmed that, as at 5 March

<sup>44</sup> While there are no formal terms of reference, the Chair of the committee, Ms Sharon Grierson, has indicated that the role of the Auditor-General in reviewing campaigns provides an important accountability function, and the committee is keen to investigate how the assurance role is being discharged.



2009, the ANAO had issued 28 reports to responsible Ministers, for 18 discrete advertising campaigns across 11 portfolios.

**2.33** In addressing the committee, the ANAO commented that reviewing campaigns prior to their launch has resulted in better outcomes than would have been the case had the ANAO not been involved. However, the ANAO also noted, in light of experience, there were areas of the Guidelines that may require some further refinement or supplementation through additional guidance going forward.

**2.34** The ANAO highlighted some areas where, in the light of experience, the Guidelines might be refined or supplemented by additional guidance. These areas include:

- providing greater clarity in regard to the boundary between normal business activities of an agency and those activities subject to the Guidelines;
- the impact of the Guidelines on campaigns undertaken under outsourcing arrangements;
- the requirements of the cost benefit analysis;
- the benefit of agencies presenting campaign information, including the Chief Executive certification, on their websites to further enhance transparency; and
- the requirements of the Chief Executive certification, including the scope of relevant government policies, which need to be considered in the context of the Guidelines.

**2.35** At the conclusion of the May 2009 hearings, the ANAO was informed of the Committee's intention to proceed further with the inquiry, including the proposal to discuss specific advertising campaigns for which the ANAO has issued a review report. The next hearings are planned for later in 2009.

## **Senate estimates hearings**

**2.36** The ANAO appeared before Senate Finance and Public Administration Committees in February and May 2009. Committee members sought information related to: the ANAO's role; the issue of justifying campaign costs; and whether a specific website had been referred to the

ANAO for review of compliance against the Guidelines.<sup>45</sup> The Committee members also sought information relating to the Department of Climate Change's government advertising campaign, reviewed by the ANAO in July 2008.

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<sup>45</sup> The website referred to in the hearings was the <[www.economicstimulusplan.gov.au](http://www.economicstimulusplan.gov.au)> site, hosted and maintained by the Department of Prime Minister and Cabinet.

### 3. 2008–09 Assurance Review Activity and Review Related Matters

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**3.1** For the 2008–09 financial year, 58 review reports on government advertising campaigns have been issued to responsible ministers in respect of campaigns conducted within 12 portfolios.

**3.2** The ANAO has established a small team to undertake reviews of advertising campaigns. In acknowledging the additional workloads associated with providing assurance reviews for advertising campaigns, the estimated cost of \$608 000 per annum was provided to the ANAO in the 2008 budget. The cost to the ANAO of conducting reviews and associated activities over the 2008–09 financial year was \$762 000.<sup>46</sup>

**3.3** During the first year of the operation of the Guidelines, the workload associated with individual campaigns has been higher than anticipated. Many campaigns have been delivered in sections, requiring multiple review reports (up to seven in one instance), with an associated duplication of effort and administration for both the agency commissioning the campaign and the ANAO. There have also been cases where campaign materials are altered following a campaign launch and a second Auditor-General's report is required to encompass further or revised campaign materials. All review reports are published to the ANAO website.<sup>47</sup>

**3.4** There are also legitimate reasons for campaigns to be run in discreet phases over time. Agencies may alter their campaign materials so that the messages are tailored to have the greatest effect possible, or to incorporate post campaign research suggestions and recommendations.

**3.5** There has also been a significant start-up cost element in terms of informing agencies of the evidence standards required to demonstrate that the Guidelines have been met. As agencies become more experienced in planning and preparing campaigns that can evidence compliance with the Guidelines, some efficiencies can be expected. The ANAO has worked with Finance on a range of implementation and administrative issues, and has also

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<sup>46</sup> Calculated on the same basis as the Finance costing model.

<sup>47</sup> Where the material is amended prior to the launch of the campaign, only the second report is published on the ANAO website.

made suggestions to the Special Minister of State on how the framework may be improved. Further, the ANAO has appeared before Parliamentary Committees on a number of occasions, as discussed in Chapter 2.

**3.6** The ANAO will continue to closely monitor the resources required for this function.

### **Exempt campaigns**

**3.7** The Cabinet Secretary can exempt a campaign from compliance with the Guidelines on the basis of a national emergency, extreme urgency or other extraordinary reasons the Cabinet Secretary considers appropriate. Where an exemption is approved, the Auditor-General will be informed of the exemption and the reasons for the decision will be formally recorded and reported to the Parliament.

**3.8** On 30 April 2009, the Cabinet Secretary granted an exemption from the Guidelines in relation to public information or campaign activities that are judged necessary in the lead up to a potential pandemic event or throughout the stages of a swine influenza pandemic in Australia. Advice of the exemption was provided to the Auditor-General and subsequently tabled in the Senate on 11 August 2009.

### **Assurance reviews by portfolio**

**3.9** The following tables set out the assurance reviews undertaken since the inception of the Guidelines through to 30 June 2009, by agency. The first review report was completed in June 2008, following the decision by the Government to adopt the Guidelines but prior to their public announcement on 2 July 2008.

**3.10** The tables set out the campaign launch date, the date the administering agency first advised the ANAO of the campaign and the date of the Auditor-General's review report. The budget indicated below is as it was advised to the ANAO as part of the review process, and includes proposed media placement costs, research and other contract costs, and may include contract costs for specialist communications providers.<sup>48</sup>

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<sup>48</sup> The budgets are as planned for a campaign. The ANAO does not collect data on the actual expenditure by agencies on advertising campaigns, individually or overall. Finance advise that the actual costs of each campaign, including those associated with consultants, will be reported in the Full Year Report, planned to be tabled by Finance in the third quarter of 2009.

## Department of Agriculture, Fisheries and Forestry

Campaign Name	Advised Launch <sup>49</sup>	Initial Contact with Agency	Report Signed	Advised Budget (m)
Quarantine Matters 2008	21/09/2008	4/07/2008	8/09/2008	\$1.8
Quarantine Matters (April – July 2009)	21/03/2009	08/12/2008	13/03/2009	\$2.0

## Attorney-General's Department

Campaign Name	Advised Launch	Initial Contact with Agency	Report Signed	Advised Budget (m)
2008 Smartgate Public Information Campaign (Australian Customs Service) 'E-passport'	19/10/2008	3/07/2008	10/10/2008	\$5.2
Anti-money Laundering and Counter Terrorism Financing Campaign 2009	3/2/2009	24/9/2008	7/01/2009	\$0.6
National Security Public Information Campaign (February –April 2009)	8/2/2009	27/10/2008	23/1/2009	\$4.3
National Security Hotline (May–June 2009)	31/5/2009	23/03/2009	29/05/2009	\$1.3
National Missing Persons Week 2009	6/07/2009	27/02/2009	26/06/2009	\$0.3 <sup>50</sup>

## Australian Taxation Office

Campaign Name	Advised Launch	Initial Contact with Agency	Report Signed	Advised Budget (m)
First Home Savers Account (September – December 2008)	1/10/2008	11/09/2008	19/09/2008	\$2.8

<sup>49</sup> The advised launch is the date the agency advised the ANAO of the expected commencement of the campaign, which may be in the week commencing the quoted date.

<sup>50</sup> While the budget for the campaign was modest, Attorney-General's Department anticipated the provision of community service announcements to the value of \$3 million as free media coverage.

Campaign Name	Advised Launch	Initial Contact with Agency	Report Signed	Advised Budget (m)
Education Tax Refund (January – July 2009)	27/1/2009	2/10/2008	20/1/2009 (direct mail out) 23/01/2009 (Phases 1 & 2) 19/2/2009 (NESB) 15/05/2009 (Phase 3)	\$11.0
ATO Tax Bonus 2009	28/2/2009	17/2/2009	27/2/2009 (Phase 1) 06/03/2009 (Phase 1 NESB) 19/03/2009 (Phase 2) 27/03/2009 (Phase 2 NESB) 2/04/2009 (Phase 3) 14/04/2009 (Phase 3 NESB) 7/05/2009 (Phase 4) 27/05/2009 (Phase 4 NESB) 4/06/2009 (additional NESB) 11/06/2009 (further NESB)	\$11.0

## Department of Broadband, Communication and the Digital Economy

Campaign Name	Advised Launch	Initial Contact with Agency	Report Signed	Advised Budget (m)
Digital Switchover (Phase One)	29/03/2009	3/07/2008	12/03/2009 (main campaign) 8/04/2009 (NESB)	\$7.2

## Department of Climate Change

Campaign Name	Advised Launch	Initial Contact with Agency	Report Signed	Advised Budget (m)
Climate Change Household Action Advertising Campaign Phase One	20/7/2008	3/07/2008	16/07/2008 (main campaign)  18/07/2008 (Materials revised prior to launch)	\$13.9

## Department of Education, Employment and Workplace Relations

Campaign Name	Advised Launch	Initial Contact with Agency	Report Signed	Advised Budget (m)
Child Care Tax Rebate	29/06/2008	23/06/2008	24/06/2008 <sup>51</sup>	\$3.9
New Employment Services Campaign 2009 - Job Services Australia Campaign	21/06/2009	23/02/2009	23/06/2009 (Direct Mail out materials only)  24/06/2009 (Jobseeker Print and Radio)  25/06/2009 (Employer Print and Radio)	\$7.6

<sup>51</sup> While the campaign was completed in the 2007–08 financial year, the review report has been included as part of the 2008–09 review reports completed for the sake of completeness.

## Department of Defence

Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Defence Force Recruitment (November 2008 – June 2009)	1/11/2008	28/08/2008	20/11/2008 (main campaign)  24/12/2008 (Additional Navy TV campaign)  13/03/2009 (ADFA radio)  11/05/2009 (Navy radio commercial)  11/05/2009 (AFL sponsorship supporting campaign)  11/06/2009 (Army specific jobs)	\$51.6

## Department of Foreign Affairs and Trade

Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Smarttraveller Public Information Campaign (November 2008 – June 2009)	1/12/2008	20/08/2008	18/11/2008	\$3.3

## Department of Human Services

Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Removal of Same Sex Discrimination Information Campaign	30/3/2009	28/10/2008	4/03/2009	\$1.7



Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Electronic Medicare Claiming Campaign	18/05/2009	01/11/2008	23/04/2009 (main campaign)  22/05/2009 (NESB)	\$8.4

### Department of Infrastructure, Transport, Regional Development and Local Government

Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Liquids, Aerosols and Gases Technology Trials 2008	1/10/2008	8/07/2008	29/09/2008 (main campaign)  17/10/2008 (Additional materials)	\$0.7

### Department of Families, Housing, Community Services and Indigenous Affairs

Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Economic Security Strategy Phase 1 (November – December 2008) 'December Bonus Payments to Pensioners and Carers'	29/11/2008	16/10/2008	20/11/2008 (main campaign) 2/12/2008 (NESB)	\$5.1
Economic Security Strategy Phase 2 (January – June 2009) 'First Home Owners Boost'	18/01/2009	16/10/2008	16/01/2009 (main report)  29/01/2009 (NESB)	\$5.8

## Department of Health and Ageing

Campaign Name	Advised Launch	Initial Contact with Agency	Report signed	Advised Budget (m)
Australian Better Health Initiative (October 2008 – June 2009) 'Measure up Campaign'	12/10/2008	3/07/2008	14/10/2008 (main campaign)  21/10/2008 (NESB)  20/11/2008 (ATSI)	\$29.5
National Binge Drinking Campaign (November 2008 – June 2009)	23/11/2008	3/07/2008	18/11/2008 (main campaign)  2/12/08 (NESB Radio)  14/04/09 (other NESB)	\$12.1
Skin Cancer Awareness (Summer 2008 – 2009)	1/11/2008	3/07/2008	6/11/2008	\$5.1
National Drugs Campaign (April – June 2009)	19/04/2009	24/11/2009	16/04/2009	\$7.2
National Eye Health Awareness Campaign 2009	1/05/2009	24/11/2009	29/04/2009	\$5.3
National Sexually Transmissible Infections Prevention Program: Sexual Health Campaign (May 2009 – June 2010)	31/05/2009	24/11/2008	15/05/2009 (main campaign) 28/05/2009 (additional materials)	\$5.3
Bringing Nurses Back into the Workforce 2009	24/05/2009	12/03/2009	22/05/2009	\$1.0

Note ATSI - campaign review materials are tailored to various Aboriginal and Torres Straight Islander audiences.

NESB - campaign review materials are tailored to various non-English speaking background audiences.

## Summary of review conclusions

**3.11** Since the inception of the Guidelines, the ANAO has issued a number of management letters to agencies on observations regarding issues that have arisen as a result of, or during the course of, the review, but which have not

directly impacted the final review conclusion. The major issues raised are identified below.

### **Agency cost benefit analyses**

**3.12** When the Guidelines were first implemented, some cost benefit analyses required significant agency refinement during the course of reviews undertaken by the ANAO. Limited guidance was available regarding the most appropriate method of conducting such analysis, and communication professionals and agency communications staff had generally not undertaken rigorous cost benefit analysis prior to the introduction of the Guidelines. This situation has improved over time as agencies become more used to the process and better understand the requirements.

### **The presentation of materials in a timely manner**

**3.13** The ANAO advises agencies to allow five working days from the submission of final documentation to issue a review report. This timeframe allows for any final clarification on any aspect of the proposed campaign following the receipt of the Chief Executive certification, and to finalise audit working papers to meet the assurance standard.<sup>52</sup> However, it has been evident on many occasions that insufficient time has been allowed for the completion of the ANAO review in a timely and efficient manner. This has at times required the ANAO to divert staff from other advertising review priorities or at times, required agencies to defer planned campaign launch dates.

### **Procurement**

**3.14** Government procurement processes are required to incorporate features of competition, transparency and efficiency with agency in processes. While better practice guides issued by the ANAO and Finance highlight the need for contracts to be in place before consultant work commences, there have been occasions where consultants have begun work and payments made to contractors without written contracts in place. Some agencies have adopted better practice contracting processes which could

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<sup>52</sup> The review to establish compliance is completed as an iterative process undertaken with the agencies over a period of weeks or months, prior to the receipt of the final certification.

usefully be employed more broadly to reduce the risks associated with informal, undocumented arrangements with service providers.

### **Administrative matters**

**3.15** Several of the management letters have raised issues primarily related to administrative and control processes within agencies. Agencies need to have appropriate internal quality control mechanisms, as mistakes, errors, or superseded versions of documentation or creative material supplied as final materials can lead to unnecessary delays for the agency due to re-work and follow up activity by the ANAO when preparing the review report.

### **Appropriate Business Processes**

**3.16** Several agencies have developed campaigns in advance of ensuring that they have sufficient business processes in place to meet the requirements of the Guidelines. This has led to those agencies being required to undertake re-work in some areas of the campaign and forced inefficiencies into the process as a whole. Although the Finance *Business Planning Processes for Campaign Information and Advertising Activities* handbook has provided guidance in this area, a number of agencies are continuing to refine their business processes to better meet the requirements of the Guidelines.

## 4. General Governance Framework Issues

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4.1 The ANAO and agencies have implemented arrangements to give effect to the governance framework for government advertising, which have been refined in the light of experience. In some cases, agencies were required to apply the new Guidelines to campaigns that had been under development for a considerable period of time before the Guidelines were announced.

4.2 As agencies are increasingly working on campaigns conceived and developed under the new arrangements, there is a growing appreciation of, and capacity to effectively respond to, the requirements of the Guidelines and to work with the ANAO to demonstrate compliance with those requirements. Accordingly, agencies have commenced, and are continuing to, transition their administrative arrangements to include consideration of the Guidelines at the inception of their communication strategy planning.

4.3 The ANAO has appreciated the willingness by agencies to engage early in campaign development and seek the view of the ANAO at key stages in the campaign development process. This consultation assists in ensuring that the requirements of the Guidelines are adequately addressed and that agencies have the documentation and processes in place to support efficient and effective review by the ANAO. The ANAO continues to work through issues as they arise and generally encourages agencies, where appropriate, to review and revise internal procedures to better support the requirements of the Guidelines. At the same time, agencies are seeking to engage with the ANAO and Finance to seek advice on key requirements, including:

- clearly identifying those activities which are subject to the Guidelines and those which are more properly considered part of the ongoing business of the agency;
- establishing parameters and procedures for the most efficient, effective and transparent method of demonstrating that campaigns are justified by cost benefit analysis;
- the appropriate scrutiny of campaigns conducted at arms length from funding agencies, for example by not-for-profit organisations;
- the appropriate use of funds that become available through reductions in unit advertising costs, including whether to return the funds to the

budget or whether there is a sound basis for investing public money in additional campaign activities; and

- assessing the impact of changes to creative material, or alterations to the media buy or campaign timing.

4.4 The Government has undertaken to review the Guidelines, with particular regard to the threshold of \$250 000, before July 2010.

## Key issues

4.5 As campaigns have been presented to the ANAO for review over the past 12 months, issues have arisen regarding the interpretation and application of the Guidelines. These are not always apparent at the outset of the review, and may not affect all campaigns. Where appropriate, the ANAO consults with Finance in determining its approach to dealing with such matters and may refer specific matters to Finance, as the agency responsible for the maintenance and review of the Guidelines, for advice. However, in conducting independent assurance reviews the ANAO retains accountability for its interpretation of the Guidelines and conduct of reviews in accordance with relevant professional standards.

4.6 Having established a sound framework for the conduct of reviews, the ANAO has sought to strengthen and refine its approach to reviewing campaigns on an ongoing basis, including through:

- developing advice for agencies on the Auditor-General's review of advertising campaigns (Attachment 1);
- building knowledge and expertise through engaging advertising industry consultants and academics to conduct seminars for relevant staff on the concepts and practices in the advertising industry and the campaign development process;
- developing and refining templates and processes to consistently and efficiently conduct advertising campaign reviews in compliance with relevant standards;
- engaging relevant experts to provide advice to supplement the knowledge and experience of ANAO staff;
- seeking briefings from key participants in the development of government campaign advertising including Finance, administering

agencies and key contractors (including the Government's campaign media placement agency Universal McCann); and

- regularly consulting with agencies and Finance, including participating in Finance's regular meetings for agency representatives involved in advertising activity.

### **Agency better practice**

4.7 The ANAO has observed a number of agency better practice processes and a willingness on the part of agencies to share information, including distributing key campaign review documents (such as cost benefit analysis, legal clearance and technical clearance documentation) to assist and guide other agencies less experienced in the campaign review process. Other examples of better practice are set out below.

- The Australian Taxation Office's management of the Tax Bonus campaign including identifying a senior officer who was responsible for ensuring that the campaign remained consistent with the whole-of-government approach, seeking the ANAO's views on demonstrating compliance with the Guidelines at key stages of the campaign development process, and providing key support to the ANAO in addressing campaign issues.
- The Australian Taxation Office sponsored the establishment of a Government Research Buyers Initiative. The initiative seeks to promote the sharing of knowledge and experience of advertising related research among communications professionals in various federal government agencies. An initial meeting was held in March 2009.
- Health often provides campaign related information on their website, including campaign summaries, supplementary detailed research and analysis, and other relevant information. This not only provides greater transparency to the public but also adds to the effectiveness of the campaign.
- Health, among others, established sound internal quality assurance processes to assess the compliance of the campaigns with the Guidelines, resulting in agency officials being well placed to certify campaign compliance, and supporting effective and efficient review by the ANAO, once campaign materials were submitted to the ANAO.

- The Department of Agriculture, Fisheries and Forestry undertook a review of internal advertising management and governance procedures to support compliance with the Guidelines, and consulted the ANAO in the course of the review to test the proposed review outcomes.

4.8 These examples of better practice demonstrate the opportunities open to agencies to align internal processes and actively manage individual campaigns to ensure the requirements of the Guidelines are able to be effectively addressed.

4.9 As well as identifying elements that were specific to the business processes of agencies, there are broader issues relating to the operation of the Guidelines that have come to the ANAO's attention during the course of 2008–09 financial year. These are explored below.

## **Ministerial and departmental roles**

4.10 The ANAO Audit Report No.24 2008–09<sup>53</sup> highlighted significant risk areas in relation to advertising campaigns and the roles of Ministers on the one hand, and agencies on the other. The report found that under the previous governance arrangements there was not clear accountability and transparency in the framework for administering government advertising, and this created significant challenges for agencies.

4.11 The report observed that the MCGC made key decisions relating to major and sensitive information campaigns, and at times made decisions that completely reshaped campaign strategy and timing, edited creative materials and set requirements for the frequency of advertising.<sup>54</sup>

4.12 Under the current Guidelines, there is expected to be a clearer separation of roles and responsibilities for Ministers and their offices on one hand, and agencies on the other. The Minister for Finance and Deregulation and the Cabinet Secretary and Special Minister of State, on 5 March 2009, noted that:

Under the new Advertising Campaign Guidelines launched in July 2008, Ministers do not dictate the content or conduct of advertising campaigns.

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<sup>53</sup> Australian National Audit Office, ANAO Audit Report No.24, op. cit.

<sup>54</sup> *ibid.*, p. 18–19.



Responsibility for a campaign devolves to the relevant Government department.<sup>55</sup>

**4.13** Finance’s guidance to agencies also states:

Ministers are responsible for authorising campaign development in their portfolios, consistent with normal financial management processes, and for authorising the launch of a campaign. While Ministers do not have responsibility for campaign development, they have a legitimate interest in the development of campaigns in their portfolios. It is reasonable that Ministers be briefed at strategic stages of campaign development.<sup>56</sup>

**4.14** For their part, Chief Executives of agencies:

...are responsible for certifying that any campaigns developed within their agency are compliant with the Guidelines and related Government policies including financial management and procurement policies...<sup>57</sup>

**4.15** Guideline 3 states that material should not be directed at promoting party political interests, and that material should be presented in a manner free from partisan promotion of government policy and political argument. In order to establish this, amongst other things, the consideration of whether there has been Ministerial involvement in the design of the campaign is considered by the ANAO as part the review process. This issue has arisen in the course of the current JCPAA inquiry into the role of the Auditor-General’s scrutiny of government advertising, and at the Senate Finance and Public Administration Committee Budget and Additional Budget hearings. The ANAO’s second submission to the Chair of the JCPAA highlighted the importance of campaigns being informed by research and analysis by agencies, rather than Ministerial direction:

This separation of roles and responsibilities is important, particularly in addressing Guideline 3, which is concerned with materials being presented in a manner free from partisan promotion of government policy and political argument, and in objective language. In this context, I have expressed the view to key stakeholders that neither Ministers nor their officers should be taking decisions, or giving directions in relation to campaign design and

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<sup>55</sup> Tanner, the Hon Lindsay MP (Minister for Finance and Deregulation), and Faulkner, Senator the Hon John (Cabinet Secretary and Special Minister of State), 2009, *Audit of Administration of Advertising Contracts*, Parliament House, Canberra, 5 March 2009.

<sup>56</sup> Department of Finance and Deregulation, op. cit.

<sup>57</sup> *ibid.*, para. 20.

implementation except in the extraordinary circumstances referred to in the Guidelines (see paragraph 7<sup>58</sup>). In other words, it is critical to the success of this new approach that departments and agencies are able to provide the best advice they are able in relation to campaigns, consistent with their normal role in providing advice to Government.<sup>59</sup>

**4.16** Consistent with this, the Auditor-General now asks that Chief Executives of agencies provide the ANAO with a written representation that:

... the purpose of the campaign has been informed by the departmental analysis and research, and my certification reflects my views which are independent of any Ministerial or Cabinet directions in relation to campaign design and implementation as it relates to method, medium and volume of advertising.<sup>60</sup>

**4.17** This representation is in addition to the certification that the Chief Executive provides to the Auditor-General about the proposed campaign's compliance with the Guidelines.

## **Campaign objectives and outcomes**

**4.18** There has been considerable discussion with agencies regarding the requirement for specific and measurable communication objectives, beyond raising awareness with the public, which focus on achieving objectives related to the policy or program being communicated to a defined target audience.

**4.19** Campaigns need to support identified policy objectives. Where campaigns can evidence a clear objective related to the policy outcome required, agencies are better able to provide evidence to demonstrate compliance with the Guidelines. Paragraph 11 of the Guidelines states that: 'Campaigns should be instigated only where a need is demonstrated, target

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<sup>58</sup> Department of Finance and Deregulation, *Guidelines on Campaign Advertising by Australian Government Departments and Agencies*, June 2008, para. 7, state: 'The Cabinet Secretary can exempt a campaign from compliance with these Guidelines on the basis of national emergency, extreme urgency or other extraordinary reasons the Cabinet Secretary considers appropriate. Where an exemption is approved, the Auditor-General will be informed of the exemption and the reasons for the decision will be formally recorded and report to the Parliament.'

<sup>59</sup> Australian National Audit Office, Submission No: 2, Australian Parliament House, Australian, 2009, available from <<http://www.aph.gov.au/house/committee/jpaa/govtad/sub2.pdf>> [accessed 13 August 2009].

<sup>60</sup> Sample text provided to agencies in the management representation letter, reproduced in Appendix 3:.

recipients are clearly identified and the campaign is based on appropriate research'.<sup>61</sup>

## Efficiency and effectiveness

**4.20** Guideline 4 specifically covers the issue of material being produced and distributed in an efficient, effective and relevant manner, with due regard to accountability. To provide evidence to support this Guideline, agencies are asked to provide a cost benefit analysis covering the nature of the campaign, the method, medium and volume of the activities, justification in terms of society's need,<sup>62</sup> and an explanation of the costs associated with not running a campaign.

**4.21** The development of robust cost benefit analyses has been challenging for some agencies, particularly where they have not previously been required to undertake this type of analysis to justify the costs associated with the campaign. It is apparent that more agencies now better appreciate the need to critically examine the proposed costs for campaigns, and to justify those costs, particularly for marginal increases in coverage. Finance is working to develop guidance for agencies on undertaking cost benefit analysis either before or in conjunction with the development of the campaign strategy.

## Determining which activities are subject to the Guidelines

**4.22** The Guidelines do not provide a definition of campaign advertising. There is a description of what is not campaign advertising,<sup>63</sup> and information on what activities can be considered campaign costs. These include the use of agencies and consultants, and the production of press, radio, on-line, other electronic media, cinema and television advertisements, audio-visual material and printed material.

**4.23** The ANAO's experience to date suggests there is merit in providing clearer guidance on what is to be considered campaign advertising and therefore subject to the Guidelines, and what communications activities agencies might reasonably consider to be outside of the scope of the

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<sup>61</sup> Department of Finance and Deregulation, *Guidelines on Campaign Advertising by Australian Government Departments and Agencies*, June 2008, para. 11.

<sup>62</sup> For example, campaigns that are directed at changing behaviours.

<sup>63</sup> For example, advertisements for specific jobs, tender advertising, or similar routine advertising carried out by government agencies in relation to their operational activities.

Guidelines. This is also an issue where federal and state government agreements lead to a campaign that is identified under the auspices of the Commonwealth Government, but may be altered to suit the individual requirements of the state.<sup>64</sup>

**4.24** The Auditor-General wrote to the Special Minister of State and the Chair of the JCPAA suggesting that the Guidelines could be refined, or supplemented by additional guidance, to aid in the determination of which activities are subject to the Guidelines. Greater clarity regarding the boundary between the normal business activities of agencies and those activities subject to the Guidelines, including campaigns undertaken under outsourcing arrangements, will provide assistance to agencies when considering their communications activities.

**4.25** Finance has commenced working towards more clearly defining campaign advertising, and developing related guidance for agencies. The ANAO has been consulted in the course of this exercise.

## **Future of communications activities**

**4.26** The appropriate treatment of on-line and digital material has also been the subject of discussion between the ANAO and Finance, and with agencies generally. It also arose as a matter of interest for the JCPAA and at Senate Estimate hearings.<sup>65</sup> Finance, in consultation with the ANAO, has been engaged in developing guidance to agencies on the application of the Guidelines to on-line and digital advertising campaign material, including requirements to have that material reviewed by the ANAO.

**4.27** The potential for increased use of digital media in the future was highlighted in the media recently. A spokesperson for Finance is quoted in the media as stating that: 'digital media has become an increasingly significant component of campaign advertising in the past two years. The percentage of digital media used by the Government in campaign advertising has risen from 3.5 per cent in 2007 to 9.1 per cent in 2008 and to 11.2 per cent

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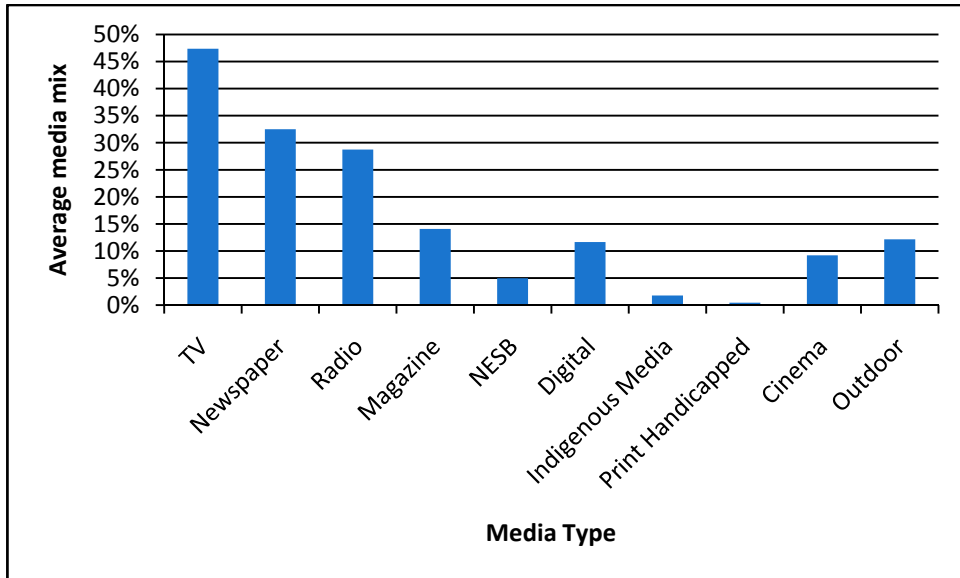
<sup>64</sup> For example, this may occur when developing major public health campaigns.

<sup>65</sup> Joint Committee of Public Accounts and Audit, *Role of the Auditor-General in scrutinising government advertising*, Hansard, 13 May 2009.

by the end of April 2009'.<sup>66</sup> The following figure identifies the percentage of anticipated campaign expenditure on all media forms in 2008–09.

**Figure 4.1**

**Average media mix used in campaigns reviewed in 2008–09**



Note: Percentages are used rather than dollar figures to allow for different campaign budgets.

Source: Data compiled by ANAO from media buy information supplied for campaign reviews in 2008–09. Average results across 28 campaigns.

***Determining material that is subject to review***

**4.28** The Guidelines do not provide a definition of campaign advertising.<sup>67</sup> However, they do note that campaign costs should include ‘the production of press, radio, on-line, other electronic media, cinema and television advertisement, audio-visual material and printed material (pamphlets explanatory booklets, etc)’.<sup>68</sup> On-line material could reasonably be seen to include websites, particularly when some or all other forms of campaign material are displayed.

<sup>66</sup> Lee, J 2009, ‘Universal credits ‘fantastic product’’, Sydney Morning Herald, 16 July, p. 30.

<sup>67</sup> The Guidelines note that government campaigns subject to the Guidelines do not include advertisements for specific jobs, tender advertising or other similar routine advertising carried out by government agencies in relation to their operational activities.

<sup>68</sup> Department of Finance and Deregulation, *Guidelines on Campaign Advertising by Australian Government Departments and Agencies*, June 2008, para. 10(b).

4.29 The ANAO has indicated to Finance that whether a website (established either within an agency site, or as a separate site)<sup>69</sup> forms part of an advertising campaign's materials is determined by the purpose, content and presentation of the site. Some websites are targeted at ongoing program support – providing factual information relating to an ongoing activity – while others are integral to an advertising campaign, carrying similar messaging and calls to action. The public could reasonably expect that elements of agency websites (either stand alone or integrated) that display the campaign content, branding and messaging will have been subject to the same scrutiny as other elements of the advertising campaign.

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Ian McPhee  
Auditor-General

Canberra ACT  
7 September 2009

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<sup>69</sup> For the purposes of these discussions, a separate website usually has a domain name that reflects the campaign title (for example: <[www.educationtaxrefund.gov.au](http://www.educationtaxrefund.gov.au)>), while an integrated site is usually considered to be an information page within an agency website (for example: <[www.ato.gov.au/taxbonus](http://www.ato.gov.au/taxbonus)>).

# Appendices





## Appendix 1: ANAO Guidance to Departments

### Auditor-General's Review of Information and Advertising Campaigns – Advice for Departments and Agencies

On 2 July 2008, the Government announced new guidelines applying to Australian Government departments and agencies undertaking information and advertising campaigns. Agencies subject to the *Financial Management and Accountability Act 1997* must comply with the guidelines, which are available from the Department of Finance and Deregulation website [www.finance.gov.au](http://www.finance.gov.au).

One element of the new framework is that each advertising campaign is to be certified against the new guidelines by the Chief Executive of the commissioning department or agency. Furthermore, for campaigns with expenditure in excess of \$250 000, the Auditor-General has agreed to provide a report to the relevant Minister on the proposed campaign's compliance with the guidelines.

The review of the campaign is not an audit but rather a review carried out under s.20 of the *Auditor-General Act 1997*. The review is conducted in accordance with the ANAO's Auditing Standards. These Standards include the Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Auditing and Assurance Standards Board. Undertaking these reviews does not limit the Auditor-General's discretion to include matters relating to information and advertising campaigns which may have been reviewed against the Guidelines within the scope of other audit activity at another time.

The review includes an examination of the certification by the Chief Executive and supporting documents and records relevant to the campaign, and interviews with staff of the department or agency involved with the preparation of the campaign.

The ANAO review does not generally extend to matters beyond those directly related to the development of the campaign in question, such as the general control systems for the production of advertising. The focus of the review is to allow the Auditor-General or his delegate to express an independent conclusion as to whether anything has arisen in the course of his investigation to indicate that the campaign does not comply with the Guidelines.

To ensure the review is able to be undertaken in a timely manner, departments and agencies are encouraged to contact the ANAO early in the initial design of the campaign and again at key points during campaign development. The ANAO may work with a department or agency over weeks or even months as campaign development proceeds, providing the agency with preliminary feedback on matters arising in respect of each of the Guidelines and ensuring the ANAO is well placed to undertake a final assessment of the campaign at the appropriate time. The ANAO review is separate to, and independent of, any consideration of the proposed campaign and associated materials that may be undertaken by the Interdepartmental Committee on Communications.

## **Step 1 – Campaign Initiation**

When commencing the development of an information or advertising campaign, it is important that the initiating department / agency contact Finance to discuss the proposed activity and establish whether it is within the scope of the Guidelines. If Finance confirms that the campaign will require a review by the Auditor-General, the department / agency should contact the ANAO as soon as possible to set in train the review process. Documents that could be provided at this time include:

- ❖ the Ministerial authority to commence campaign development; and
- ❖ a campaign overview, setting out the proposed purpose of the campaign and providing indicative timing, possible scope and funding. The campaign overview should address the authority for the campaign (Guideline 1) including the relevant:
  - legislative authority;
  - appropriation of Parliament; or
  - Cabinet decision.

Work at this stage is focused primarily on the underlying principles for campaign development as well as the relevance of the materials to government responsibilities (Guideline 1).

## **Step 2 – Strategy and Procurement**

After preparing a communications strategy and selecting communications consultants, the department / agency should provide the ANAO with:

- ❖ The research brief, the report on the evaluation of research tenders, relevant spending approvals, the research contract and the developmental research.
  - ❖ The communication strategy, the communications consultant briefs, the reports on the evaluation of communication consultant tenders, the relevant spending approvals, and communications consultant contracts.
  - ❖ The report of the initial testing of creative concepts, where this has been undertaken as part of the selection of the creative agency.
  - ❖ The campaign media brief and the media strategy and plan.
  - ❖ A cost / benefit analysis as required by Guideline 4.
26. Work at this stage is focused on campaign presentation and content (Guidelines 2 and 3) and production and distribution (Guideline 4).

### **Step 3 – Creative**

27. As the initial creative concepts have been further refined and tested, but prior to production, the department / agency should again contact the ANAO and provide:

- ❖ Developed creative concepts, including scripts, along with the related market research reports.

Monitoring the presentation and content of materials at this time should assist with assessing compliance with Guidelines 2 and 3.

### **Step 4 – Reporting**

When the creative materials and media plan have been finalised, the department / agency should contact the ANAO seeking a report in relation to the proposed campaign's compliance with the Guidelines. At this time, the department / agency should provide:

- ❖ The Chief Executive certification of compliance with the Guidelines.
- ❖ Appropriate legal advice that the proposed campaign complies with Guideline 5.
- ❖ A chronology of key events and decisions demonstrating a clear audit trail in relation to decision making (paragraph 21 of the Guidelines).

- ❖ An assurance from an appropriate independent or departmental authority that all representations included in the creative materials are true and accurate technically correct.
- ❖ A complete set of creative materials<sup>70</sup> and a media plan, accompanied by a written assurance that the materials and the plan are final. Any changes to the final creative materials or media plan must be advised to the ANAO as soon as possible and before implementation. The ANAO will inform the department if a revised review report is necessary.

At this stage, the ANAO is seeking final assurance in relation to the requirement for Chief Executive certification, the underlying principles and the Guidelines. Departments should allow five days, from the date they provide the ANAO with final materials, for the provision of the Auditor-General's report.

Campaign materials that are unable to be provided in final form in time for the review report (including, for example, foreign language versions of the media content, or internet content to be launched separately) will in most circumstances be excluded from the scope of the review. Materials which are excluded from or otherwise outside of the scope of the review report, but which the department wishes to use as part of the campaign, will need to subsequently be provided for review, accompanied by an updated Chief Executive certification of compliance. The Auditor-General will then provide a report to the relevant Minister on the additional materials' compliance with the Guidelines.

If the department / agency becomes aware of any matters that have the potential to affect the campaign's compliance with the Guidelines, either during the course of the Auditor-General's review or following the issue of the Auditor-General's review report, they should immediately advise the ANAO of these matters.

A consolidated list of documentation that may be useful in establishing compliance with the Guidelines is at Attachment A.

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<sup>70</sup> For ease of storage and transmission, video elements of campaigns should be provided as .individual files (i.e. mp4, mpeg, avi or mov files) rather than incorporated in a dvd-formatted disk.

**Notes:**

Any advice issued by the ANAO prior to the final report is preliminary. While such advice is aimed at assisting departments and agencies to comply with the Guidelines, the ANAO is unable to finalise its position prior to reviewing the completed campaign, including final creative materials and the Chief Executive's certification.

Please note that the ANAO will be unable to provide a final report on compliance unless an agreement with the department / agency pursuant to Section 20(1)(c) of the *Auditor-General Act 1997*, is in effect. The Auditor-General wrote to relevant departments and agencies on 2 July 2008 proposing terms for such an agreement.

ANAO Contacts

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Executive Director  
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## **Auditor-General's Review of Information and Advertising Campaigns – Documentation**

The timely conduct of the Auditor-General's review of proposed information and advertising campaigns is reliant on access to key staff and the provision of key documents that describe and support the campaign development process.

The following list provides examples of documents that would assist the ANAO in the conduct of a review. While the exact document requirements will vary from one campaign to the next, the list provides a starting point for departments and agencies.

- ❖ A campaign overview, including context, proposed media channels, timing and budget.
- ❖ The research brief, communications strategy, consultant briefs, research and market testing reports and other key strategic or operational documents (such as relevant Budget documentation or policy statements).
- ❖ Copies of all creative materials (in electronic format, plus hard copy where available), including scripts and story boards where appropriate (final copies of all materials within the scope of the review are needed before a report is issued).
- ❖ Reports, publications or correspondence to support factual claims or comparisons included in the creative materials.
- ❖ A chronology of key events and decision, supported by documentation, including:
  - approval of communications strategy, consultant briefs and evaluations; and
  - Chief Executive certification of compliance with the Guidelines.
- ❖ A cost-benefit analysis supporting key decisions in campaign development and delivery, or a summary of how these considerations were addressed.
- ❖ Documents supporting the type of media to be used in the campaign and justifying the timing and frequency of campaign activity.
- ❖ Media plans and media buying authorities.
- ❖ Key procurement documents including consultant briefs, requests for tender, consultant lists and proposals, departmental evaluations, expenditure approvals, contracts and details of payments made to contractors.

- ❖ Advice or clearance from the department or agency legal branch or external legal advice where appropriate.
- ❖ Any other information or document relating to the design, approval or implementation of the campaign that you consider important or which you consider we should be made aware of.

## Appendix 2: Section 20 Agreements

The ANAO wrote to over twenty agencies and departments in the past 2008–09 financial year seeking confirmation to the agreement under Section 20(1)(c) of the *Auditor-General Act 1997* for the ANAO to conduct a review and provide a report to the relevant Minister on their proposed campaign’s compliance with the Guidelines.

List of agencies who have responded agreeing to the arrangement:

Agency	S. 20 Agreement
Attorney-General’s Department	Y
Australian Customs Service	Y
Australian Electoral Commission	Y
Australian Federal Police	Y
Australian Organ and Tissue Donation and Transplantation Authority	Pending
Australian Taxation Office	Y
Centrelink	Y
Department of Agriculture, Fisheries and Forestry	Y
Department of Broadband Communications and Digital Economy	Y
Department of Climate Change	Y
Department of Defence	Y
Department of Education, Employment and Workplace Relations	Y
Department of Families, Housing, Community Services and Indigenous Affairs	Y
Department of Finance and Deregulation	Pending
Department of Foreign Affairs and Trade	Y
Department of Health and Ageing	Y
Department of Human Services	Y
Department of Immigration and Citizenship	Pending
Department of Infrastructure, Transport, Regional Development and Local Government	Y
Department of Innovation, Industry, Science and Research	Pending
Department of Resources, Energy and Tourism	Y
Department of Environment, Water, Heritage and the Arts	Y
Department of Prime Minister and Cabinet	Pending



Agency	S. 20 Agreement
Department of Treasury	Pending
Department of Veteran Affairs	Y
Medicare Australia	Y

Source: ANAO

## Appendix 3: Management Representation Letter

The ANAO provides departments and agencies a template that they can use as a basis for the Management Representation Letter requested by the Auditor-General. The template is copied below.

### Department/Agency letter head

Mr Ian McPhee  
Auditor-General  
Australian National Audit Office  
GPO Box 707  
Canberra ACT 2601

Dear Mr McPhee

### MANAGEMENT REPRESENTATIONS – **xxx** CAMPAIGN

This representation letter is provided in connection with your review of the **xxx** advertising campaign, for the purpose of you expressing an independent conclusion as to whether the campaign complies with the *Guidelines on Campaign Advertising by Australian Government Departments and Agencies* (the Guidelines), issued by the Department of Finance and Deregulation in June 2008.

It is my responsibility to ensure that the campaign complies with the Guidelines and relevant government policies.

I confirm, to the best of my knowledge and belief, the following:

- the final components of the xxx campaign are included and itemised in the following table:<sup>71</sup>

Television	
Radio	
Magazine	
Newspaper	
Cinema	
Outdoor	
Digital	

- that at the time of certification the creative material provided to the ANAO is in its final form;
- an explicit assurance has been provided by an appropriate authority that the campaign is factually correct and that images and representations in the material are accurate and not misleading;
- that the purpose of the xxx campaign has been informed by the departmental analysis and research, and my certification reflects my views which are independent of any Ministerial or Cabinet directions in relation to campaign design and implementation as it relates to method, medium and volume of advertising;
- that after certification should there be any changes to the existing campaign material, or if new material is developed, that the ANAO will be informed; and
- that any evaluations of the campaign that may measure the campaign's achievement of objectives or inform future phases of the campaign development will be provided to the ANAO.

I understand that your independent conclusion will be made in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial*

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<sup>71</sup> Where there are any outstanding components to the campaign this should also be clearly identified.

*Information*, issued by the Auditing and Assurance Standards Board, and that the review was designed primarily to provide limited assurance through inquiry, observation and analysis of key documents and information that the Government's Guidelines have been adhered to.

Yours sincerely

CEO / Secretary

(date)

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**ANAO Audit Report No.1 2009–10**

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Department of the Treasury

Department of the Prime Minister and Cabinet

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Controlling Performance and Outcomes	Dec 1997
Protective Security Principles (in Audit Report No.21 1997–98)	Dec 1997

