

Government Advertising: March 2013 to June 2015

Across Entities

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Canberra ACT
19 October 2016

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit across entities titled *Government Advertising: March 2013 to June 2015*. The audit was conducted in accordance with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit to the Parliament.

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

Yours sincerely

A handwritten signature in cursive script that reads 'Grant Hehir'.

Grant Hehir
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, financial statement audits and assurance reviews 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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Summary and recommendations

Background

1. Governments conduct advertising campaigns to: inform the community about government policies, programs and services; inform individuals of their obligations, rights and entitlements; or to encourage informed consideration of issues or to change behaviour. Between 2008–09 and 2014–15, average Australian Government expenditure each financial year on advertising campaigns was \$186 million. This expenditure included media placement, communications suppliers and GST, but did not include administrative costs.

2. Successive governments have maintained a framework to regulate the use of campaign advertising. The overarching aim of the framework is to provide the Parliament and the community with confidence that public funds are used to meet the genuine information needs of the community. Since 2008, key features of the framework have included principles-based guidelines, and a process for entity chief executives to certify the compliance of campaigns against the guidelines. In certifying campaigns, chief executives have also been supported by third-party advice for most of the period since 2008. The Special Minister of State is responsible for the administration of the Australian Government’s campaign advertising framework, and is supported by the Department of Finance. Finance publishes the guidelines and provides further guidance and advice to entities through its website and Communications Advice Branch.

3. The key principles contained in the guidelines have remained broadly consistent since 2008. The five information and advertising principles included in the most recent iteration of the guidelines are:

Principle 1: Campaigns should be relevant to government responsibilities.

Principle 2: Campaign materials should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign.

Principle 3: Campaign materials should be objective and not directed at promoting party political interests.

Principle 4: Campaigns should be justified and undertaken in an efficient, effective and relevant manner.

Principle 5: Campaigns must comply with legal requirements and procurement policies and procedures.

Audit approach

4. The objectives of the audit were to:

- assess the effectiveness of the ongoing administration of the Australian Government’s campaign advertising framework; and
- assess the effectiveness of the selected entities’ administration in developing advertising campaigns and implementing key processes against the requirements of the campaign advertising framework applying at the time, and relevant legal and government policy requirements.

5. To form a conclusion against the audit objective, the ANAO adopted the following high-level criteria:

- the effectiveness of Finance’s overall administration of the campaign advertising framework, including its advice to entities on framework developments;
- progress made towards addressing any outstanding recommendations from previous ANAO audit reports on government advertising;
- compliance of the specified campaigns with the campaign advertising framework and applicable guidelines, and compliance with relevant procurement and legal requirements; and
- where the campaign advertising guidelines did not apply, entity processes applying to specified campaigns promoted the achievement of value for money.

6. The audit reviewed the evolution and administration of the campaign advertising framework from the end of the period examined by the ANAO’s previous performance audit (March 2013). In addition, three campaigns were selected for review, specifically the:

- *Intergenerational Report 2015 Community Engagement campaign* conducted in 2015, and administered by the Department of the Treasury;
- *Higher Education Reforms Communication campaign* conducted in late 2014 and early 2015, and administered by the Department of Education and Training; and
- anti-people smuggling advertising campaigns conducted both within Australia and overseas since 2013, and administered by the Department of Immigration and Border Protection.

7. The selection of campaigns for inclusion in the audit took account of a number of requests from members of Parliament that the Auditor-General examine specific campaigns.

Conclusion

8. Between November 2013 and February 2015, the Australian Government’s campaign advertising framework was weaker than it could be, due to the suspension of the third-party advisory process. The process was re-established in early 2015 with the appointment of a reconstituted Independent Communications Committee, but the early timing of the committee’s review of campaigns means that it is not in a position to provide a high level of confidence to entity chief executives—and by extension the Parliament and community—regarding a campaign’s compliance with the guidelines. At present, the committee reports on whether a campaign is ‘capable’ of complying with the guidelines, as it does not review final campaign materials and other relevant information. The committee’s terms of reference should be amended to enable its review at any stage of a campaign’s development.

9. All of the campaigns selected for review in this audit were certified at key stages by the responsible chief executives as complying with the applicable guidelines. One element of one of the campaigns was exempted from the guidelines on the basis of extreme urgency relating to a change in government policy, as provided for in the guidelines. The chief executive certifications were supported by detailed advice from their respective departments. The ANAO’s review of the information supporting that advice indicated that there were some shortcomings in advice and departmental processes relating to:

- the Department of the Treasury’s *Intergenerational Report 2015 Community Engagement* campaign—compliance with procurement policies and procedures;

- the Department of Education and Training’s *Higher Education Reforms Communication* campaign—presenting campaign materials in an objective and fair manner; compliance with procurement policies and procedures; and not advising the Secretary of concerns raised in relation to compliance with relevant legal requirements; and
 - the Department of Immigration and Border Protection’s anti-people smuggling advertising campaigns—compliance with procurement policies and procedures.
10. Campaign expenditure increased in the periods prior to the 2013 and 2016 federal elections, continuing a long-term trend. Average Australian Government expenditure each financial year since 2008–09 on advertising campaigns has been \$186 million.¹ In 2013 and 2016 approximately \$100 million and \$95 million respectively, was spent on media placement alone in the three months leading up to the caretaker period.

Supporting findings

The Australian Government campaign advertising framework (Chapter 2)

11. The ANAO’s review of developments since 2013 indicates that:
- roles and responsibilities under the campaign advertising framework could be made clearer by amending the chief executive certification template to reflect instances where Ministers provide financial approvals; and
 - the compliance advice provided by the current Independent Communications Committee is limited compared to what has been provided in the past.
12. In mid-2014, the government established a Service Delivery and Coordination Committee to oversee and review campaigns. The Committee took on a decision-making role in the development and approval of large campaigns, including the selection of communications suppliers and refining and approving final advertisements and media buys. The chief executive certification template should be amended to reflect instances where Ministers provide financial approvals.
13. Short-term interim arrangements for campaign advertising were in place between November 2013 and February 2015, applying to 17 campaigns. The interim arrangements did not include third-party review of campaigns’ compliance against the guidelines. Campaigns were endorsed in writing by the Special Minister of State. In contrast with the Independent Communications Committee process, which involved the public release of its advice to entities, the Special Minister of State’s endorsements were not released publicly.
14. The 2014 Guidelines reintroduced the Independent Communications Committee as a third-party adviser, however it provides more limited compliance advice than its predecessors. Under its terms of reference, the current committee reviews campaigns once and at an early stage of campaign development, and reports on whether campaigns are ‘capable of complying with Principles 1 to 4 of the Guidelines’. The committee does not review final campaign materials. The committee had previously been required to form a view and advise entity chief

1 This expenditure included media placement, communications suppliers and GST, but not departmental costs incurred in campaign development or the cost of the Independent Communications Committee.

executives about a campaigns' compliance. The current committee has raised these limitations with the Department of Finance, and the ANAO has made a recommendation on this matter.

15. A previous (2011–12) ANAO recommendation to clarify which parts of the guidelines are mandatory has not been fully addressed. Finance released explanatory guidance in early 2015 which went some way towards providing clarification, however numerous provisions of the advertising guidelines contain the word 'should' despite Finance's general advice to entities that the word 'should' is best avoided in regulatory and guidance documents. By failing to fully address the recommendation, there remains a lack of clarity around which parts of the advertising guidelines are mandatory. Four of the five information and advertising principles contain the word 'should', including Principle 3 which provides that 'campaigns should be objective and not directed at promoting party political interests'.

16. Two further recommendations were directed towards Finance in the ANAO's 2012–13 audit of government advertising. One recommendation related to the development of guidance for entities in the event that they propose to undertake campaigns relating to the views, policies or actions of other parties. Finance has prepared relevant guidance for provision on an ad hoc basis. It has not been published.²

17. The ANAO's comparison of the current Australian Government framework with arrangements applying in other jurisdictions indicates that while there is a common approach in some key respects (for example, in seeking to prohibit party political content and ensure factual accuracy), a number of key differences exist. A number of jurisdictions have adopted restrictions on: Ministerial direction of entities; the subject matter of campaigns; and conducting campaigns during caretaker periods. Some frameworks also had requirements intended to avoid 'excessive' or 'extravagant' advertising.

18. Between 2008–09 and 2014–15, Australian Government expenditure on advertising campaigns averaged \$186 million each financial year. This expenditure included media placement, communications suppliers and GST, but not departmental costs incurred in campaign development or the cost of the Independent Communications Committee. ANAO analysis shows a tendency for campaign expenditure to increase significantly in the lead up to a federal election. Increased expenditure has been observed prior to the last five elections. In 2013 and 2016 around \$100 million and \$95 million respectively, was spent on media placement alone in the three months leading up to the caretaker period.

Intergenerational Report 2015 Community Engagement campaign (Chapter 3)

19. The Treasury Secretary certified that the campaign complied with the 2014 Guidelines. The ANAO's review of the information supporting the certification indicated that there were some shortcomings in advice and departmental processes relating to compliance with procurement policies and procedures.

20. The Treasury Secretary's certification that the campaign complied with the 2014 Guidelines was underpinned by detailed advice from the department. It was also

2 Finance did not agree to the second ANAO recommendation to improve transparency through consolidated reporting of the full costs of campaigns. Finance advised the ANAO that it has not accepted this recommendation, on the basis that consolidated totals of media and other expenditure on campaigns can be derived from information published in Finance's annual reports on campaign advertising.

supported by a number of other inputs such as research and legal advice. As the Independent Communications Committee had not yet started to operate, the first phase of the campaign was not subject to third party review against the 2014 Guidelines.

21. The initial campaign budget was informed by Master Media Agency³ advice, without campaign objectives having been specified. The campaign was designed in a manner that provided flexibility in the subject matter and timing of different phases of campaign activity. Some campaign materials were developed, at a cost of more than \$1.7 million, which were not used. Treasury advised the ANAO that the materials were developed:

- in accordance with decisions of the Service Delivery and Coordination Committee; and
- having regard to the advice of the Independent Communications Committee.

22. Treasury further advised that as soon as relevant decisions of the Service Delivery and Coordination Committee were communicated it stopped work to minimise any additional spending.

23. In relation to Principle 5 (compliance with relevant procurement and legal requirements), Treasury's procurement documentation did not reflect the Service Delivery and Coordination Committee's substantive role in making key campaign decisions and providing financial approvals. The ANAO also identified areas in which Treasury did not follow procurement policies. Contracts for research services were not varied in a timely manner, and AusTender reporting was not always accurate.

24. The campaign was monitored and evaluated, but insight into the campaign's overall effectiveness was hampered by a lack of specific performance targets. Tracking research was conducted during the course of the campaign, and an evaluation was conducted during September 2015. The evaluation concluded that the 'campaign achieved strong reach among its target audiences, especially during phase 1'. While Phase 1 had achieved good cut through and had raised awareness of the IGR, the advertisements had not raised awareness of key IGR challenges. The evaluation recommended that any future communications activity should focus on explaining specific reforms and should disassociate from the IGR due to: the lack of awareness and understanding of specific IGR content; and the IGR's perceived focus on difficulties rather than opportunities. While the evaluation compared a number of performance measures against relevant pre-campaign benchmarks or tracked changes in measures throughout the campaign, specific targets had not been set by Treasury. As a result, it was not possible to gain insight into the campaign's overall effectiveness and relative value for money. Treasury acknowledged that the campaign strategy did not include specific measures against the campaign objectives.

The Higher Education Reforms Communication campaign (Chapter 4)

25. The Education Secretary certified that the campaign complied with the Interim 2013 Guidelines. The ANAO's review of the information supporting the certification indicated that there were some shortcomings in advice and departmental processes relating to: presenting campaign materials in an objective and fair manner; compliance with procurement policies and

3 The Master Media Agency is part of the Australian Government's Central Advertising System, which consolidates government advertising expenditure to secure optimal media discounts. Under the system, the Master Media Agency assists in media planning, placement and rates negotiations with media outlets.

procedures; and not advising the Secretary of concerns raised in relation to compliance with relevant legal requirements.

26. In relation to Principle 2 of the guidelines (that campaign materials should be presented in an objective, fair and accessible manner and designed to meet the campaign objectives), the campaign's objectives were to counter myths and misconceptions about higher education, raise awareness of government support, and to raise awareness of the proposed policy changes. Campaign research highlighted that potential students and their families wanted to learn more about the changes and in particular their impacts on student fees. The campaign materials did not directly address the issue of student fees, and did not provide information on how key policy settings would impact on the cost of undergraduate degrees.

27. A sub-principle of the guidelines provides that facts should be accurate and verifiable. A central campaign statement was that 'The Australian Government will continue to pay around half of your undergraduate degree'. The department's data indicated that in 2014 the government was contributing, on average, almost 60 per cent towards the cost of undergraduate degrees. The department's modelling indicated that the proposed policy changes were expected to result in an average Commonwealth contribution of almost 43 per cent in 2018. In calculating this average Commonwealth contribution level Education included a number of students subject to existing arrangements. Education advised the ANAO that if only those students subject to the reforms were included, the average Australian Government contribution to undergraduate degrees was estimated to be 39.5 per cent by 2018. Education further advised the ANAO that its 'fee assumptions indicated that the proposed changes were expected to result in roughly equal government and student contributions across all subsidised students in 2016, the year in which the changes would commence and which was of primary interest to students'. The department's data and modelling supports the campaign statement for the first year (2016), with students subject to the existing arrangements taken into account. However, the statement is not as strongly supported in the subsequent years, and for all new students to whom the reforms were to apply. The statement could also have been misinterpreted by potential students and their families because, at the individual level, the government's contribution to different courses varies considerably.

28. In relation to Principle 5 (compliance with legal and procurement requirements), Education sought advice on the campaign's compliance with relevant laws. Two key issues raised in legal advice were the possible outcome of any constitutional challenge to the campaign (if the campaign preceded the passage of the relevant legislation) and the potential for two statements to mislead target audiences (including the central statement discussed above). Education's statements of compliance, which were prepared to inform the Secretary's certification of the campaign, advised that legal advice had confirmed the campaign's compliance, without noting these concerns. Education advised the ANAO that it was satisfied with internal legal advice and made the judgement that, on balance, the two statements were not misleading to the target audience. Education also did not maintain full records of its procurement activities or report all relevant contracts on AusTender in a timely fashion.

29. The campaign was monitored and evaluated, but insight into the campaign's overall effectiveness was hampered by a lack of specific performance targets. Benchmark, tracking and evaluation research was conducted for Phases 1a and 1b of the campaign. The evaluation concluded that the campaign had 'efficiently and effectively reached target audiences and achieved measurable changes in awareness, perceptions and behaviours'. The evaluation

reported that: around half the research participants had seen or heard something about higher education during the relevant time period; but more participants had heard about higher education in the general media rather than the campaign. The evaluation also reported modest but positive improvements in respondents' understanding of elements of the Australian higher education system. While the evaluation compared a number of performance measures against relevant pre-campaign benchmarks or tracked changes in measures throughout the campaign, specific targets had not been set by Education. As a result, it was not possible to gain insight into the campaign's overall effectiveness and relative value for money.

Anti-people smuggling advertising campaigns (Chapter 5)

30. The department did not comply with all of the Special Minister of State's conditions for exempting the *By Boat, No Visa* campaign from the guidelines. The campaign was granted an exemption from the 2010 Guidelines on the basis of extreme urgency, but was expected to: comply with the underlying principles of the Guidelines; place all advertising through the Central Advertising System; use suppliers from the Communications Multi Use List; and follow sound procurement and administrative processes. Conditions regarding the placement of advertising and the use of suppliers were complied with. The usual order of expenditure approval, contracting and service delivery was not observed in the procurement of media placement and research services.

31. The campaign was intended to communicate significant changes in migration policy primarily to diaspora communities within Australia, providing information which could then be passed on to families and friends back home. The onshore element of the campaign continued through much of the caretaker period for the 2013 federal election. While the Australian general public was a secondary audience for the campaign, almost 90 per cent of the campaign's media placement was used for mainstream advertising (around \$6.75 million of the \$7.5 million expenditure). Both the onshore anti-people smuggling campaigns that preceded and followed the *By Boat, No Visa* campaign were targeted solely to specific diaspora communities. The Department of Immigration and Border Protection advised the ANAO that arranging advertising in culturally and linguistically diverse media had longer lead times and limited availability, therefore the department considered that mainstream advertising was necessary to immediately inform the target audiences and their influencers of the recently changed policy. Research completed just prior to the campaign found that mainstream media was a less preferred source of information for diaspora communities, behind: their family and friends; Internet sources, in-language television and radio, social media and community organisations.

32. Key elements of the guidelines, including the certification of the campaign's compliance with the guidelines by the agency chief executive, were applied to the onshore elements of the *No Way* campaign. The chief executive certification for phase 3 was not signed prior to the launch of the campaign. The ANAO was advised that the non-compliance was due to an administrative oversight.

33. The offshore campaign elements reviewed by the ANAO delivered factual messages about Australian Government policy, and targeted potential illegal immigrants in source and transit countries. Spending decisions were well documented, except for activities organised for the offshore elements of the *By Boat, No Visa* campaign.

34. Evaluations were conducted for both onshore and offshore campaigns. Onshore, awareness of Australia's policy on asylum seekers that arrive by boat, including those that professed to know something about the policy, remained reasonably constant at around 70 per cent, although confidence in the specific details of the policy softened over time. Almost half of those that had been in Australia less than five years had spoken to friends or family overseas about Australia's migration policy. Offshore, surveys showed moderate to high awareness of Australian asylum seeker policy in regions with high numbers of potential illegal immigrants. The research also informed the department's understanding of a range of issues relevant to irregular migration and assessed the quality of the services provided by communications contractors.

Recommendations

Recommendation No. 1 That the Independent Communications Committee's terms of reference be amended to provide the committee with the discretion to review advertising campaigns at any stage of development.

Paragraph 2.15

Department of Finance response: *Noted.*

Summary of entities' responses

35. The proposed audit report issued under section 19 of the Auditor-General Act 1997 was provided to the Department of Finance. Extracts of the proposed report were also provided to the Department of the Treasury, the Department of Education and Training and the Department of Immigration and Border Protection. Summary responses are provided below, with full responses provided at Appendix 1.

Department of Finance

The Department of Finance (Finance) notes the ANAO's audit report on Government advertising: March 2013 to June 2015.

The Government sets the governance arrangements for campaign advertising which are administered by Finance. The recommendation to amend the terms of reference of the Independent Communications Committee (ICC) is not a matter of administration, but is instead a policy matter for Government.

Department of the Treasury

The Treasury acknowledges the Australian National Audit Office's draft report on Government Advertising: March 2013–June 2015 and welcomes the opportunity to review and provide comment in relation to the Intergenerational Report 2015 campaign extract.

In reviewing the extract the Treasury identified three key areas the ANAO highlighted in regards to compliance with the *Guidelines on Information and Advertising campaigns by non-corporate Commonwealth entities (Guidelines)*.

Campaign planning

The challenging timeframes for campaign development meant that Treasury had to develop a flexible campaign strategy to accommodate changing requirements. To implement the strategy, the department acted in accordance with decisions made by the Service Delivery and Co-ordination Committee (SDCC) as part of their regular review of campaign materials.

Procurement

Comments have been provided against your concerns in relation to our procurement processes in the response letter, in particular reflection of SDCC decisions in documentation and AusTender listings. The department will look at where improvements can be made for any future campaigns.

Evaluation

The Treasury would welcome the inclusion of specific targets to measure campaign effectiveness across all government communication strategies and more robust work being done on the evaluation of government campaigns and how these campaigns are evaluated by review committees.

Department of Education and Training

The Department of Education and Training ('the department') acknowledges the Australian National Audit Office's (ANAO) report on the Government Advertising: March 2013 to June 2015.

The campaign's objectives were to:

- counter myths and misconceptions about the current higher education system
- raise awareness of government support for higher education and the mechanisms that will remain in place into the future
- set the scene for the reforms, and
- encourage audiences to seek further information about current government resources, assistance and financial support for Australian higher education.

The responsible officials set these campaign objectives as they were appropriate for the policy nature of the campaign focus. The objectives related to awareness-raising or 'attitudinal' outcomes, as distinct from behavioural outcomes.

Evaluation of such campaigns relies on measuring pre and post campaign awareness levels in target audience (per campaign messaging) and the performance of campaign communication channels. This approach accords with best practice in the communication-marketing sector.

The department also notes the campaign research evaluation found that:

- Phase 1A of the campaign reached about 41 per cent of the population at a cost of about \$0.47 per person reached
- Phase 1B of the campaign reached about 36 per cent of the population at a cost of about \$0.43 per person reached, and
- that these per person cost figures place the campaign in the "high efficiency" category.

Performance of the campaign's digital channels is another indicator of the success of the campaign. The ANAO noted this performance on page 22⁴ of the report.

The department further notes that full disclosure of the evidence provided to the ANAO does not appear to be reflected in the final audit report.⁵ The department took into consideration a number of information sources alongside departmental estimates when certifying the statements of the campaign. This included consideration of current arrangements where

4 Page numbers have changed in finalising the report. Refer to paragraph 4.24 of this report.

5 The ANAO has included Education's advice in paragraph 4.8 of this report.

differential government contributions occur; public statements of proposed fees in a deregulated market made by some universities and private provider peak bodies; and analysis of current fees charged by non-university higher education providers.

The department also notes that the ANAO's compliance finding in relation to procurement policies and procedures and adds the following detail to accurately convey the degree of the infringement. Out of the campaign's six procurement activities (comprising some 3,000 plus pages of documentation), the department was only unable to source:

- one email to the successful tenderer for developmental research, and
- two emails relating to notification to the PR companies that quoted for work (noting this work did not proceed).⁶

Further, of the six campaign-related contracts, two were reported within the required 42 days with the remaining four were reported within 50 days after commencement, eight days later than stipulated by the APS procurement guidelines.

The department accepts the ANAO's findings in relation to its record-keeping practices. Significant work has been undertaken by the department to address these findings and was the focus in advertising campaigns developed since this one.

The findings highlighted in the ANAO audit will help contribute to strengthening the administration of campaign advertising in the future.

Department of Immigration and Border Protection

The Department of Immigration and Border Protection acknowledges and appreciates the efforts of the ANAO staff who conducted the audit. Thank you for providing the Department with the opportunity to review and respond to this report.

The Australian Government's anti-people smuggling communication campaign has been a key element in the success of Operation Sovereign Borders in significantly reducing the number of illegal maritime ventures to Australia.

The Department acknowledges that there was some non-compliance with procurement policies and procedures in relation to media placement and research services for the *By Boat, No Visa* campaign that ran from July to September 2013.

This campaign ran through much of the caretaker period for the 2013 Federal election and as such was granted an exemption from the 2010 advertising guidelines based on the extreme urgency to inform diaspora communities regarding the change in government policy. Mainstream media was used because booking advertising in culturally and linguistically diverse media had longer lead times and limited availability.

The Department has improved procedures since 2013 which is supported by the findings of the report which did not identify any further non-compliance.

⁶ The ANAO's comments (see paragraph 4.22) relate to the availability of the documentation and the department's ability to provide documentation during the course of the audit.

Audit Findings

1. Background

The Australian Government campaign advertising framework

1.1 The Special Minister of State (SMOS) is responsible for the administration of the Australian Government's campaign advertising framework, and is supported by the Department of Finance (Finance).

1.2 The Australian Government's campaign advertising framework was amended in 2008 with the introduction of new principles-based guidelines. Entity chief executives were responsible for certifying that advertising campaigns complied with the guidelines. The chief executive certification was also informed by third-party review of a campaign's compliance with the guidelines by the Auditor-General, based on a limited assurance approach. Further changes were made in 2010 following a review of the arrangements.⁷ The changes included new guidelines and the introduction of an Independent Communications Committee (ICC), which replaced the Auditor-General as the third-party reviewer.

1.3 In late 2013 the government introduced short-term interim guidelines, while it considered its long-term approach to information and campaign advertising. The ICC was disbanded and chief executives were to provide their certifications to the relevant Minister, who would seek endorsement from the SMOS prior to the launch of a campaign. In late 2014, the government reintroduced the ICC as a third-party reviewer, and released revised *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* (the 2014 Guidelines). The 2014 Guidelines were modelled on the 2010 Guidelines, and include three underlying principles and five sets of more specific principles.

Box 1 The underlying principles governing the use of public funds for all government campaigns, and the five information and advertising campaign principles.

The underlying principles are that:

- (a) members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations;
- (b) governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour; and
- (c) government campaigns must not be conducted for party political purposes.

The following five principles set out the context in which Commonwealth Government campaigns should be conducted:

Principle 1: Campaigns should be relevant to government responsibilities.

7 Dr A Hawke, *Independent Review of Government Advertising Arrangements*, Department of Finance, 2010, available from <<http://www.finance.gov.au/sites/default/files/Independent-Review-of-Government-Advertising-Arrangements.pdf>>.

Box 1 The underlying principles governing the use of public funds for all government campaigns, and the five information and advertising campaign principles.

Principle 2: Campaign materials should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign.

Principle 3: Campaign materials should be objective and not directed at promoting party political interests.

Principle 4: Campaigns should be justified and undertaken in an efficient, effective and relevant manner.

Principle 5: Campaigns must comply with legal requirements and procurement policies and procedures.^a

Note a: Australian Government, Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities, Department of Finance, 2014. Available from <<http://www.finance.gov.au/advertising/campaign-advertising/guidelines/>> [accessed 11 May 2015]. Each of the five information and advertising principles has supporting explanatory notes.

1.4 Finance publishes the guidelines and provides further guidance and advice to entities through its website and Communications Advice Branch.⁸ Finance also administers the Central Advertising System (CAS), which is a coordinated procurement arrangement to consolidate government advertising expenditure and buying power to secure media discounts. Under the CAS, Non-Corporate Commonwealth entities subject to the *Public Governance, Performance and Accountability Act 2013* are required to contact the government's Master Media Agency to place their advertising.

Previous audits

1.5 Campaign advertising has been the subject of a series of ANAO performance audit reports since 1995.⁹ In 2010, the Australian Government requested that the Auditor-General undertake an annual performance audit of at least one campaign or the administration of the campaign advertising framework. Key findings of the ANAO's reports have included:

- departments faced significant challenges prior to 2008 in effectively developing campaigns, as a result of responsibilities for key decisions being fragmented between the Ministerial Committee on Government Communications and departments;
- a 'general softening' in 2010 of the application of requirements on entities; and

8 Department of Finance, *Whole-of-Australian Government Advertising Arrangement*, 2016. Available from <<http://www.finance.gov.au/advertising/>>

9 ANAO Audit Report No. 30 1994–95, *Commonwealth Government Information and Advertising*, June 1995. More recent ANAO audits have included:

- No. 24, 2008–09, The Administration of Contracting Arrangements in relation to Government Advertising to November 2007.
- No. 24, 2011–12, Administration of Government Advertising Arrangements: March 2010 to August 2011; and
- No. 54, 2012–13, Administration of Government Advertising Arrangements: August 2011 to March 2013; A number of audits have also reviewed specific campaigns as part of the ANAO's review of program administration. See ANAO Report No. 12, 2012–13 and Report No. 33, 2014–15.

- a number of areas of non-compliance in selected campaigns, including in: the recording of approvals; the accuracy of campaign statements; the presentation of campaign materials in an objective manner; the assessment of the cost-effectiveness of media buys; and adherence to relevant procurement policies.

1.6 ANAO Audit Report No. 54, 2012–13 observed that the certification process and third party review applying since 2008 had promoted compliance with the campaign advertising framework, although there remained scope to further refine and strengthen the framework. The audit also observed that the campaigns examined tended to push the boundaries of the guidelines in some areas. The audit drew attention to the emerging risk of campaign advertising not clearly meeting the enhanced expectations and arrangements established in 2008, and highlighted that the arrangements needed to be supported by Ministers so that advertising campaigns were meeting the genuine information needs of citizens.

Audit approach

1.7 The objectives of the audit were to:

- assess the effectiveness of the ongoing administration of the Australian Government’s campaign advertising framework; and
- assess the effectiveness of the selected entities’ administration in developing advertising campaigns and implementing key processes against the requirements of the campaign advertising framework applying at the time, and relevant legal and government policy requirements.

1.8 To form a conclusion against the audit objective, the ANAO adopted the following high-level audit criteria:

- the effectiveness of Finance’s overall administration of the campaign advertising framework, including its advice to entities on framework developments;
- progress made towards addressing any outstanding recommendations from previous ANAO audit reports on government advertising;
- compliance of the specified campaigns with the relevant campaign advertising framework, including the 2010, 2013 (interim) or 2014 guidelines where they apply, and compliance with relevant procurement and legal requirements; and
- where the campaign advertising guidelines do not apply, whether entity processes applying to specified campaigns have promoted the achievement of value for money¹⁰ in respect of the campaigns.

1.9 The audit examined developments in the administration of the government campaign advertising framework from the end of the period examined by the previous audit (March 2013). In addition, three campaigns were selected for review, specifically the:

- *Intergenerational Report 2015 Community Engagement campaign* conducted in 2015, and administered by the Department of the Treasury (Treasury);

10 That is, the efficient, effective, economical and ethical use of the relevant public funds expended on the campaigns.

- *Higher Education Reforms Communication campaign* conducted in late 2014 and early 2015, and administered by the Department of Education and Training (Education)¹¹; and
- anti-people smuggling advertising campaigns conducted both within Australia and overseas since 2013, and administered by the Department of Immigration and Border Protection (DIBP).

1.10 The audit methodology included:

- interviews of relevant entity staff and review of campaign documentation, including: briefs to the relevant Ministers and departmental secretaries; campaign materials and supporting compliance documentation; research and evaluation reports; and procurement and legal documentation;
- review of relevant Cabinet records; and
- review of Finance’s correspondence and briefings with the SMOS, and examination of Finance’s actions in response to previous ANAO recommendations.

1.11 The audit was conducted in accordance with ANAO auditing standards at a cost to the ANAO of approximately \$511 380.

11 The selection of campaigns for inclusion in the audit took account of a number of requests from members of Parliament that the Auditor-General examine specific campaigns. Senator Nick Xenophon wrote to the Auditor-General in July and August 2013 in regards to the *By Boat, No Visa* campaign, and in December 2014 about the *Higher Education Reforms Communication* campaign. Senator the Hon Kim Carr also wrote to the Auditor-General in January 2015 about the *Higher Education Reforms Communication* campaign. Copies of this correspondence, and the Auditor-General’s responses, are available from the ANAO’s website: <<https://www.anao.gov.au/work-program/correspondence>>.

2. The Australian Government campaign advertising framework

Areas examined

This chapter examines the evolution of the Australian Government’s campaign advertising framework, and the implementation of the recommendations of previous audits of government advertising. A comparison of the current framework with those applying in other jurisdictions is also considered, along with a summary of campaign advertising expenditure over time.

Conclusion

Between November 2013 and February 2015, the Australian Government’s campaign advertising framework was weaker than it could be, due to the suspension of the third-party advisory process. The process was re-established in early 2015 with the appointment of a reconstituted Independent Communications Committee, but the early timing of the committee’s review of campaigns means that it is not in a position to provide a high level of confidence to entity chief executives—and by extension the Parliament and community—regarding a campaign’s compliance with the guidelines. At present, the committee reports on whether a campaign is ‘capable’ of complying with the guidelines, as it does not review final campaign materials and other relevant information. The committee’s terms of reference should be amended to enable its review at any stage of a campaign’s development.

Campaign expenditure increased in the periods prior to the 2013 and 2016 federal elections, continuing a long-term trend. Average Australian Government expenditure each financial year since 2008–09 on advertising campaigns has been \$186 million.^a In 2013 and 2016 approximately \$100 million and \$95 million respectively, was spent on media placement alone in the three months leading up to the caretaker period.

Areas for improvement

The ANAO has recommended that the Independent Communications Committee’s terms of reference should be amended to enable its review at any stage of a campaign’s development. There would also be benefit in the chief executive certification template being amended to reflect instances where Ministers provide financial approvals.

Note a: This expenditure included media placement, communications suppliers and GST, but not departmental costs incurred in campaign development or the cost of the Independent Communications Committee.

In the context of an evolving campaign advertising framework since 2013, are roles and responsibilities clear, and do review processes provide assurance to decision-makers?

The ANAO's review of developments since 2013 indicates that:

- roles and responsibilities under the campaign advertising framework could be made clearer by amending the chief executive certification template to reflect instances where Ministers provide financial approvals; and
- the compliance advice provided by the current Independent Communications Committee is limited compared to what has been provided in the past.

In mid-2014, the government established a Service Delivery and Coordination Committee to oversee and review campaigns. The Committee took on a decision-making role in the development and approval of large campaigns, including the selection of communications suppliers and refining and approving final advertisements and media buys. The chief executive certification template should be amended to reflect instances where Ministers provide financial approvals.

Short-term interim arrangements for campaign advertising were in place between November 2013 and February 2015, applying to 17 campaigns. The interim arrangements did not include third-party review of campaigns' compliance against the guidelines. Campaigns were endorsed in writing by the Special Minister of State. In contrast with the Independent Communications Committee process, which involved the public release of its advice to entities, the Special Minister of State's endorsements were not released publicly.

The 2014 Guidelines reintroduced the Independent Communications Committee as a third-party adviser, however it provides more limited compliance advice than its predecessors. Under its terms of reference, the current committee reviews campaigns once and at an early stage of campaign development, and reports on whether campaigns are 'capable of complying with Principles 1 to 4 of the Guidelines'. The committee does not review final campaign materials. The committee had previously been required to form a view and advise entity chief executives about a campaigns' compliance. The current committee has raised these limitations with the Department of Finance, and the ANAO has made a recommendation on this matter.

November 2013—Short-term Interim Guidelines

2.1 The Special Minister of State (SMOS) introduced *Short-term Interim Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* in November 2013, while the incoming government considered its long-term approach to information and campaign advertising.¹² The interim guidelines maintained the five information

12 The interim guidelines were updated in June 2014 to incorporate certain administrative changes introduced by the *Public Governance, Performance and Accountability Act 2013*. For example, 'agencies' were referred to as 'entities' in the new legislation.

and advertising principles, and the certification of campaigns (of \$250 000 or more) by the responsible chief executive against those principles.¹³

2.2 The interim guidelines did not continue the role of an Independent Communications Committee (ICC) to provide third-party advice on campaigns' compliance with principles 1 through 4, as had occurred since 2010. Instead, chief executives were to provide their certification to the relevant Minister, who would seek endorsement from the SMOS prior to the launch of a campaign.

2.3 The SMOS, or his representative¹⁴, provided 35 endorsements across 17 campaigns in the period from November 2013 to the end of January 2015. The specifics of the SMOS's role in endorsing advertising campaigns were not formally defined or documented, but each endorsement seen by the ANAO followed a consistent process. Entities provided the Department of Finance (Finance) and the SMOS with a media plan, final creative materials, relevant research, and the entity CEO's certification. Finance then prepared a brief for the SMOS outlining any key issues. Finance's advice commonly focussed on whether the campaign was appropriately supported by the research.

2.4 On occasion, the SMOS endorsed campaigns on the basis that certain conditions were to be met. Examples included: that final advertisements be provided to Finance with minor amendments made; and that planned media spends be reduced in the case of the Defence recruitment campaigns.¹⁵ On average, the time between a Minister seeking and receiving endorsement from the SMOS was 11 days. The SMOS communicated his endorsements confidentially and in writing. ICC review letters had been released publicly.

October 2014—Government review and approval of campaigns

2.5 In July 2014, the government agreed that the Service Delivery and Coordination Committee (SDCC) would oversee and review government advertising campaigns. In October 2014, the government agreed the specific processes for campaign review and approvals, involving the four stages summarised in Table 2.1. Where new funding was required for a campaign, approval was first sought from the Expenditure Review Committee.

13 The interim guidelines did not include the three underlying principles in the 2010 Guidelines that were intended to govern the use of public funds for government information and advertising campaigns.

14 The Finance Minister endorsed two campaigns during this period.

15 In 2008, the Department of Defence (Defence) was allowed to have six months of media expenditure reviewed at a time, to provide it the opportunity to secure optimal media placement. Under the interim arrangements, the SMOS asked that Defence reduce its planned media spends for 2014 and the first half of 2015. Defence had sought endorsement of a media plan which would see it spend more in the 2013–14 financial year than in any financial year in the preceding decade. The SMOS asked that Defence reduce its expenditure by just over \$8 million for 2013–14 and 2014–15 combined, so that expenditure would remain at a level under the previous high. As Defence's advertising expenditure is drawn from its broader marketing budget, it retained any savings.

Table 2.1: Summary of the government review and approval process—2014

Stage	Process
One	<i>Campaign proposal and research options.</i> The responsible minister brings forward a campaign proposal including objectives, key messages, proposed media channels and budget. The minister also brings forward a market research brief and list of potential suppliers (potential suppliers are to be drawn from the Communications Multi-Use List (CMUL) and informed by advice from Finance). If the SDCC agrees that the campaign proceed, the responsible entity issues the brief to research suppliers, and selects a supplier. Developmental research is then undertaken to inform a communications strategy.
Two	<i>Approval of campaign communications strategy by the SDCC and agreement to commence the procurement of creative agencies and other suppliers (such as public relations).</i> The SDCC considers the communications strategy, research findings and a proposed list of suppliers for advertising and public relations (potential suppliers are again drawn from the CMUL and informed by advice from Finance). If there is agreement by the SDCC to proceed to the next stage, the entity issues briefs to suppliers. For advertising, the research supplier tests all of the submitted advertising concepts. The entity identifies a shortlist of advertising agencies who offer value for money, informed by the testing.
Three	<i>Creative agency selection.</i> The SDCC considers creative concepts of shortlisted agencies. If there is SDCC agreement to proceed, the entity proceeds to develop the preferred concept and conducts further testing research on the proposed campaign material.
Four	<i>Refinement of pre-production advertising materials and media plans.</i> The SDCC considers refined campaign materials and a final media plan. If the SDCC agrees to proceed, the entity finalises materials, books media and tests materials to check their effectiveness. Any subsequent changes to materials or media plans may require additional review by the SDCC.

Note: The ICC's review of a campaign occurs between stages one and two.

Source: ANAO summary Department of the Prime Minister and Cabinet documentation.

2.6 The government's campaign review process was refined in March 2015. The SDCC would review only campaigns considered to be 'complex/sensitive', with 'operational/routine' campaigns to be considered by the SMOS.¹⁶ The Department of the Prime Minister and Cabinet provided information to entities in July 2015 to formally advise them of the campaign review process.

2.7 In late January 2015 Finance advised the SMOS that ministers (or groups of ministers) can make procurement decisions, but it was important that the responsibility for approving campaign expenditure was clear.¹⁷ Finance advised the SMOS that if the SDCC chose suppliers, and approved the media buy, then the SDCC would be considered the approver under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act). Finance further advised that if responsibilities were not clear, legal uncertainty around the process could result in incorrect decisions being taken forward or outcomes not achieved. Finance also noted that the ANAO had previously been critical of spending decisions where it was not clear who the approver was. In the brief to the SMOS, Finance suggested that if the SDCC wished to undertake the role of approver, an amendment could be made to the chief executive certification template to ensure there was no ambiguity. Finance advised the ANAO that the SMOS had not returned the brief to

16 The SMOS was responsible for determining whether campaigns were operational or routine, in cases where: the campaign budget was less than \$500 000; and the subject matter was regarded as non-sensitive and would not promote new Government policy.

17 The SMOS's office had sought advice on the 'ability of the SDCC to make decisions related to the appointment of advertising and other suppliers, and other procurement related decisions.'

the department, and no change had been made to the chief executive certification template. There would be benefit in Finance resolving this matter with the SMOS.

2.8 Section 71 of the PGPA Act provides for the approval of proposed expenditure by a Minister. Section 71 requires Ministers to: be satisfied, after making reasonable inquiries, that the proposed expenditure would be a proper use of the money; and record the terms of the approval in writing. The relevant SDCC minutes (and supporting documentation) for the selected campaigns fulfil these requirements. Finance has developed procurement guidance to entities undertaking campaigns. The guidance includes the following advice for procurements of communications suppliers undertaken by ministers:

Where a Cabinet committee or ministers take procurement decisions relating to campaigns, entities should document the process that was followed and keep a record of any advice it provided that was intended to assist the SDCC and/or its minister to make inquiries as to whether the proposed expenditure (i.e. procurement) constituted a proper use of resources. Entity officials will ultimately enter into the agreements with suppliers on behalf of the Commonwealth. In doing so, an official must also comply with their obligations under the PGPA Act and PGPA Rules and proper documentation will support them to do so.¹⁸

2.9 Finance advised the ANAO that it considers that entity chief executives remain capable of certifying against Principle 5 of the guidelines, provided that their entities have followed prevailing procurement policies and procedures.

February 2015—New guidelines and the reintroduction of an Independent Communications Committee

2.10 The SMOS announced revised arrangements for the oversight of information and advertising campaigns in December 2014, including that ‘proposed campaigns with expenditure in excess of \$250 000 will continue to be considered by an Independent Communications Committee’. The changes were to take effect from 1 February 2015, with appointments to the ICC to be ‘made in due course’.¹⁹

2.11 ICC appointments were not finalised until 2 March 2015 and the ICC reviewed its first campaign on 31 March 2015. In the period between the end of the interim arrangements and the commencement of the ICC, six campaigns launched which were not subject to third-party review.²⁰ Finance advised the ANAO that: five of these campaigns had progressed to the point of launch before the ICC was convened; and one campaign (anti-people smuggling) involved the reuse of materials previously endorsed by the SMOS under the interim guidelines.

The role of the Independent Communications Committee

2.12 The 2014 Guidelines provide that, for campaigns of \$250 000 or more, the ICC will consider the proposed campaign and provide a report to the responsible chief executive on

18 Finance, April 2015. Finance advised the ANAO that the full guidance is provided to entities undertaking campaigns. It has not been published on Finance’s website.

19 Senator the Hon Michael Ronaldson, (SMOS), *Media Release 13/14, Oversight of Information and Advertising Campaigns by Australian Government Departments and Agencies*, 23 December 2014.

20 These campaigns related to: the Intergenerational Report 2015 (Treasury); Defence Force Recruiting-Women in the Army (Defence); BreastScreen Australia (Health); National Bowel Screening (Health); Moneysmart (ASIC); and Anti-People Smuggling: No Way-onshore advertising (Immigration).

compliance with Principles 1, 2, 3 and 4 of the Guidelines. Entities are responsible for providing a report to the chief executive on compliance with Principle 5.

2.13 The ANAO reviewed the minutes and supporting documentation for ICC meetings from March to mid-August 2015 (spanning the ICC's first 13 meetings). During that period, the ICC finalised 15 review reports with all campaigns considered 'capable' of complying with the guidelines. In a few cases, the ICC sought revision of materials or further specific information from departments, which were considered out of session, and before the finalisation of the relevant review report. Of the campaigns selected for this audit, only Phase 2 of the IGR 2015 campaign was reviewed by the current ICC (see discussion from paragraph 3.8). The ICC meeting minutes indicate that the review process involved discussion of a range of potential compliance issues with entities. For example, for a number of campaigns the ICC explored the legislative and policy underpinnings of the subject matter (Principle 1), and examined the alignment of the campaign strategy and any developmental or other research (Principle 4).

2.14 The revised arrangements involve fewer meetings of the ICC. The current ICC reviews campaigns once, and at an early stage of campaign development.²¹ The committee does not review final campaign materials, and reports only on whether campaigns are 'capable of complying with Principles 1 to 4 of the Guidelines' [ANAO emphasis added].²² In previous audits of government advertising arrangements, the ANAO observed that the former ICC: had reviewed campaigns at multiple stages; had considered final campaign materials; and had formed a view and advised on a campaign's compliance with Principles 1 to 4. The current ICC has advised Finance that there are 'limitations to providing compliance advice, particularly in relation to Principles 2 and 4, given the early point in time that they were reviewing campaigns, when media strategies and materials are still in development, and without reviewing campaign advertisements.'²³ The ICC's current advice—whether a campaign is 'capable' of compliance—provides limited value as campaigns will undergo further development following ICC review.

Recommendation No.1

2.15 That the Independent Communications Committee's terms of reference be amended to provide the committee with the discretion to review advertising campaigns at any stage of development.

Finance response: *Noted.*

2.16 *The Department of Finance (Finance) notes that the governance of campaign advertising, including the terms of reference set for the Independent Communications Committee, is a matter for the Government.*

21 As indicated in Table 2.1, the ICC's review of a campaign occurs between stages one and two.

22 All published ICC review letters to chief executives reviewed by the ANAO adopted this approach.

23 Finance's ICC meeting minutes, meeting no. 4, approved by ICC chair on 4 May 2015.

Have the recommendations of previous performance audits been acted upon?

A previous (2011–12) ANAO recommendation to clarify which parts of the guidelines are mandatory has not been fully addressed. Finance released explanatory guidance in early 2015 which went some way towards providing clarification, however numerous provisions of the advertising guidelines contain the word ‘should’ despite Finance’s general advice to entities that the word ‘should’ is best avoided in regulatory and guidance documents. By failing to fully address the recommendation, there remains a lack of clarity around which parts of the advertising guidelines are mandatory. Four of the five information and advertising principles contain the word ‘should’, including Principle 3 which provides that ‘campaigns should be objective and not directed at promoting party political interests’.

Two further recommendations were directed towards Finance in the ANAO’s 2012–13 audit of government advertising. One recommendation related to the development of guidance for entities in the event that they propose to undertake campaigns relating to the views, policies or actions of other parties. Finance has prepared relevant guidance for provision on an ad hoc basis. It has not been published.^a

Note a: Finance did not agree to the second ANAO recommendation to improve transparency through consolidated reporting of the full costs of campaigns. Finance advised the ANAO that it has not accepted this recommendation, on the basis that consolidated totals of media and other expenditure on campaigns can be derived from information published in Finance’s annual reports on campaign advertising.

2.17 A recommendation from ANAO Report No 24, 2011–12, *Administration of Government Advertising Arrangements: March 2010 to August 2011* was directed towards Finance clarifying which parts of the guidelines were mandatory. In early 2015, Finance published the following explanatory guidance on its website along with the 2014 Guidelines:

Within the Guidelines, where the word ‘must’ is used, it signals that there is a mandatory requirement. Where the phrase ‘must not’ is used, it signals that certain actions or practices are not to be undertaken by entities or officials. Actions or practices that relate to the sound administration of campaigns in order to demonstrate compliance with the Guidelines are denoted by the word ‘should’.²⁴

2.18 This guidance is helpful at a high level, but does not directly address the issue raised: the overarching principle states that ‘campaigns *should* be objective and not directed at promoting party political interests’, while the three sub-principles use the word *must*. In a further and related development, the 2015 *Independent Review of Whole-of-Government Internal Regulation*²⁵ recommended that Finance ‘develop, in consultation with key regulators, a short guide to promote clarity and consistency in language used in regulatory and guidance documents’. Finance’s guide, released in late 2015, advises that the word ‘should’ is best avoided, as it has been incorrectly interpreted to imply mandatory requirements, even where the use of the term

24 Finance, *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, 2015. <<http://www.finance.gov.au/advertising/campaign-advertising/guidelines/>>.

25 Belcher, B. *Independent Review of Whole-of-Government Internal Regulation*, p. 13 Volume 1, Department of Finance, 12 November 2015, available from <<http://www.finance.gov.au/publications/reducingredtape/>>.

has been defined in the document as meaning good practice and not mandatory.²⁶ This advice is in contrast with the advice on government advertising, as the word 'should' is used extensively throughout the current advertising guidelines. By failing to fully address the recommendation, there remains a lack of clarity around which parts of the guidelines are mandatory. Four of the five information and advertising principles contain the word 'should'. Principle 3 provides that 'campaigns should be objective and not directed at promoting party political interests', but its three sub-principles each contain the word 'must'. Finance advised the ANAO that no entity has ever sought Finance's advice or assistance to clarify the meaning of the terms 'should', 'must' and 'must not' within the Guidelines.

2.19 Audit Report No. 54, 2012–13, *Administration of Government Advertising Arrangements: August 2011 to March 2013* made two recommendations, both directed towards Finance. Finance did not agree to a recommendation to improve transparency through consolidated reporting of the full costs of campaigns.²⁷ Finance did agree to a recommendation to clarify the application of paragraph 28(b) of the 2010 Guidelines (which relates to campaigns not directly attacking or scorning the views, policies or actions of others).

2.20 Finance advised the ANAO that it has developed guidance to provide to entities in the event that they propose to undertake campaigns relating to the views, policies or actions of other parties. In summary, the advice is that the guidelines do not prevent the use of campaigns to address information issued by others; but such campaigns may face an increased risk of being perceived not to fully comply with the guidelines and accordingly, entities should take care to ensure that advertisements avoid references to other parties and the emphasis should be on communicating about matters for which the Australian Government is responsible. Publishing such guidance on Finance's website would promote transparency. Finance advised the ANAO that:

- it will continue to provide this guidance to entities where it is relevant, reflecting that campaigns dealing with the views, policies or actions of other parties have been undertaken extremely infrequently; and
- it considers that publishing such advice could have the unintended consequence of normalising this type of campaign.

26 Finance, *Short guide to improving the usefulness, clarity and accessibility of guidance and policy documents*, 6 November 2015, pp. 1–2.

27 The ANAO first suggested that the matter be addressed in Audit Report No. 24, 2011–12 and subsequently made a recommendation to Finance in Report No. 54, 2012–13. While the information can be derived from information in Finance's campaign advertising reports, the inclusion of consolidated information was proposed as a means to improve transparency and the value of Finance's reporting on campaign advertising. The ANAO remains of the view that consolidated reporting would increase transparency.

How does the current Australian Government campaign advertising framework compare with similar international and state frameworks?

The ANAO's comparison of the current Australian Government framework with arrangements applying in other jurisdictions indicates that while there is a common approach in some key respects (for example, in seeking to prohibit party political content and ensure factual accuracy), a number of key differences exist. A number of jurisdictions have adopted restrictions on: Ministerial direction of entities; the subject matter of campaigns; and conducting campaigns during caretaker periods. Some frameworks also had requirements intended to avoid 'excessive' or 'extravagant' advertising.

2.21 The comparison²⁸ identified that while there was consistency in some key respects (for example, in seeking to prohibit party political content and ensure factual accuracy), there were five key differences. These included:

- **accountability arrangements**—in some frameworks, government entities are primarily tasked with developing campaigns in compliance with the relevant standards, and heads of entities are not subject to the direction of Ministers. While the involvement of committees in campaign development was also reasonably common, these tended to consist of communications experts and were more advisory in nature;
- **restrictions on campaign subject matter**—under some frameworks, the subject matter was limited to communicating on public health and safety matters, maximising compliance with laws, and/or encouraging the use of government products and services. Other frameworks required a clear purpose for a campaign, such as where governments have a legal duty to provide people with information, or where advertising is critical to the effective running of the government. One framework does not allow for the promotion of government initiatives that have yet to gain Parliamentary approval;
- **explicit focus on cost-effectiveness and efficiency**—some frameworks had requirements that advertising not be 'excessive' or 'extravagant'; mandated the conduct of cost benefit analyses²⁹; or required that entities allow for reasonable and realistic timeframes to develop campaigns;
- **role of research in developing campaigns**—some frameworks require the use of research (such as developmental research and/or creative concept testing) in the development of campaigns (noting that most frameworks encourage the use of evaluation to assess campaign performance); and

28 The ANAO conducted a desktop review of the frameworks of New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania and the Australian Capital Territory. International counterparts examined included Canada, the United Kingdom, New Zealand and the United States of America.

29 Finance advised the ANAO that cost-benefit analysis (CBA) was removed from the Government's campaign guidelines in 2010 as a result of an independent review which noted that the goal of CBA in the context of campaign development was unclear; was not the appropriate tool for analysis; and that questions about the budgets of campaigns should be settled ahead of campaign funding being provided. For additional background on this matter see ANAO Report No. 24 2011–12, paragraphs 2.27 to 2.34.

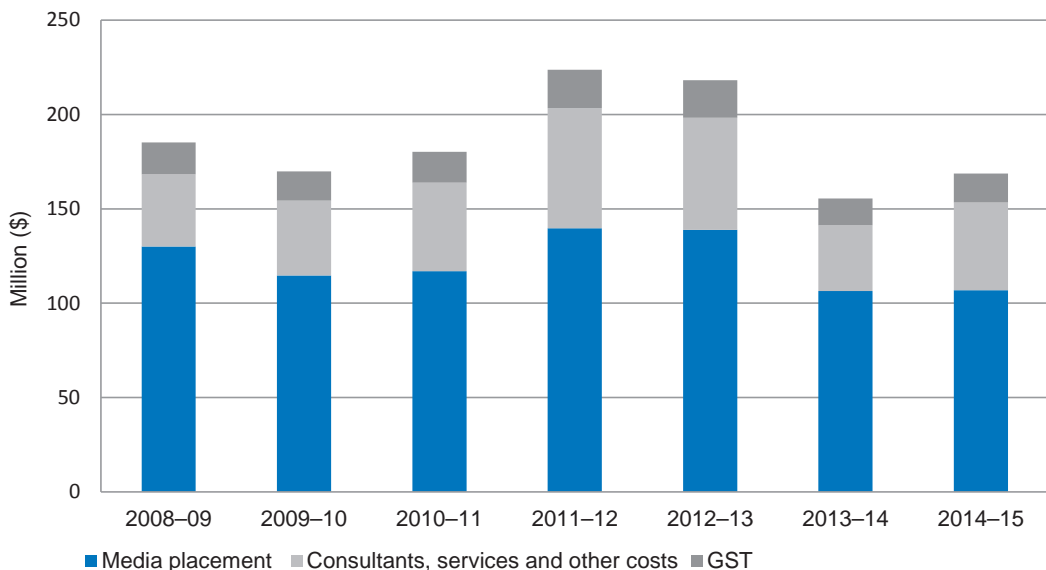
- **restricting campaigns during election caretaker periods**—some frameworks prohibited the continuation of campaigns during caretaker periods, unless they related to public health and safety issues.³⁰

How much is spent on campaign advertising?

Between 2008–09 and 2014–15, Australian Government expenditure on advertising campaigns averaged \$186 million each financial year. This expenditure included media placement, communications suppliers and GST, but not departmental costs incurred in campaign development or the cost of the Independent Communications Committee. ANAO analysis shows a tendency for campaign expenditure to increase significantly in the lead up to a federal election. Increased expenditure has been observed prior to the last five elections. In 2013 and 2016 around \$100 million and \$95 million respectively, was spent on media placement alone in the three months leading up to the caretaker period.

2.22 Figure 2.1 shows campaign advertising expenditure from 2008–09 to 2014–15 for: media placement; ‘consultants, services and other costs’; and GST. In total, over \$1.3 billion was spent on these components of campaign advertising over seven financial years, an average of \$186 million per financial year. These figures do not include departmental costs incurred in the development of campaigns or the cost of the ICC.

Figure 2.1: Campaign advertising expenditure, 2008–09 to 2014–15



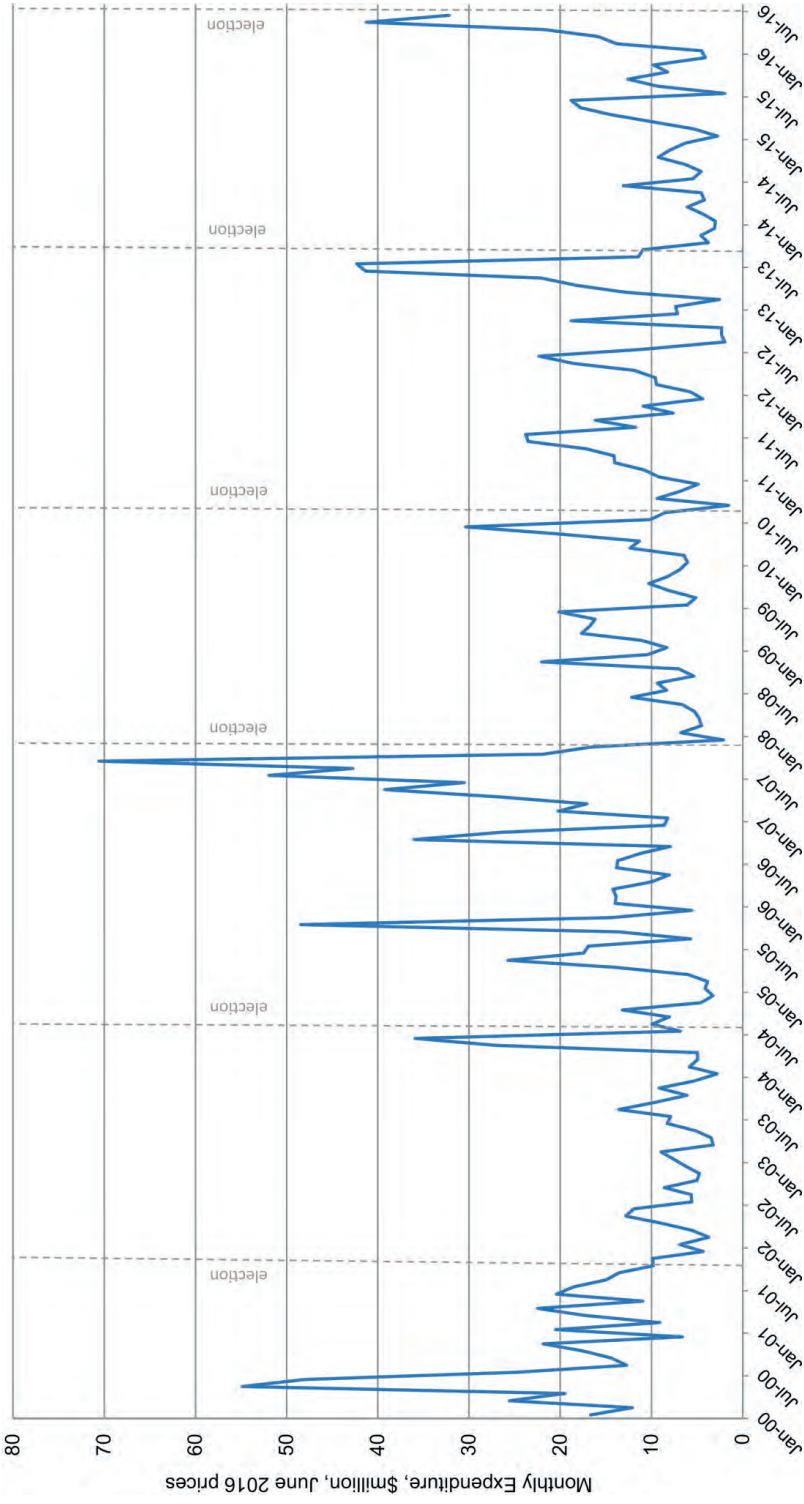
Source: ANAO, collated from information in Finance’s campaign advertising reports, see: <http://www.finance.gov.au/advertising/campaign-advertising-reports.html>.

30 In Australia the Department of the Prime Minister and Cabinet’s *Guidance on Caretaker Conventions* has a section dealing with information and advertising campaigns. Finance advised the ANAO that some jurisdictions are able to include restrictions on advertising in the lead up to elections on the basis of their Parliaments running for fixed terms.

2.23 Figure 2.2 provides information on monthly media expenditure from January 2000 to June 2016. The analysis indicates that campaign media expenditure increased in the lead up to the last four federal elections.

2.24 The ANAO also collated the amounts paid to communications suppliers for advertising campaigns conducted from 2012–13 to 2014–15. The ten suppliers who were paid the highest amounts for their work on campaigns are shown in Appendix 2.

Figure 2.2: Monthly campaign expenditure on media placement—June 2016 prices



Notes: Data for the period 2000 to 2012 is sourced from ANAO Audit Report No. 54, 2012–13 and is based on data from Finance. Data for the period 2013 to 2016 was also provided by Finance. Data from 2000 to 2003 aggregates media placement expenditure by *Financial Management and Accountability Act 1997* (FMA Act) agencies, *Commonwealth Authorities and sCompanies Act 1997* bodies, and Territory Governments. Data from 2004 to June 2014 is the campaign advertising media expenditure by FMA Act agencies only; data since July 2014 relates to spending by non-corporate Commonwealth entities under the PGPA Act

Source: ANAO, drawing on Finance data and Australian Bureau of Statistics Catalogue 6401.0.

3. Intergenerational Report 2015 Community Engagement campaign

Areas examined

This chapter provides an overview of the Intergenerational Report 2015 Community Engagement campaign, and examines the operation of the review, certification and publication processes and the tracking and evaluation of the campaign's effectiveness.

Conclusion

The Treasury Secretary's certification that the campaign complied with the 2014 Guidelines was underpinned by detailed advice from the department. The ANAO's review of the information supporting that advice indicated that there were some shortcomings in advice and departmental processes relating to compliance with procurement policies and procedures.

Areas for improvement

There would be benefit in Treasury reviewing its procurement processes to ensure that future campaigns comply with relevant procurement policies. For future campaigns Treasury should also develop specific targets to measure achievement of campaign objectives.

Campaign Overview

3.1 The Australian Government is required to produce an Intergenerational Report (IGR) every five years under the *Charter of Budget Honesty Act 1998*. IGRs assess how changes to Australia's population size and age profile may impact economic growth, workforce and public finances over the next 40 years. The 2015 IGR, released on 5 March 2015, was the fourth intergenerational report to be produced. Previous reports were released in 2002, 2007 and 2010. The 2015–16 Commonwealth Budget was announced on 12 May 2015.

3.2 The Department of the Treasury (Treasury) was responsible for administering the *Intergenerational Report 2015 Community Engagement* campaign. The campaign launched in March 2015 and aimed to engage with and inform the community on the issues and challenges identified in the 2015 IGR. The campaign also sought to communicate how measures included in the 2015–16 Budget were linked to the IGR challenges. The campaign was subject to the 2014 Guidelines.

3.3 The key elements of the IGR 2015 campaign are summarised in Table 3.1.

Table 3.1: Summary of the IGR 2015 Community Engagement Campaign

Campaign summary	
Objective/s	Overarching objective: to engage with and inform the community on the issues and challenges identified in the Intergenerational Report. Further, the campaign was to provide an overarching narrative on the need to plan for the future.
Timing	Phase 1: 8 March to 28 March 2015 (<i>Note: NSW/ACT from 29 March to 18 April 2015, due to the NSW state election</i>). Phase 1(b): from 19 April to 2 May 2015. Phase 2: from 26 May to 27 June 2015.
Target audiences	All Australians. Small businesses were also a specific target audience for Phase 2.
Media channels	The campaign employed television, radio, newspapers, search engine marketing, online television, digital display and mobile, cinema, Out of Home (for example Billboards), as well as channels to reach Indigenous and culturally and linguistically diverse Australians.
Total campaign budget and expenditure (inc. GST)	The campaign had an original budget allocation of \$36.2 million, which was later adjusted to \$35.1 million. \$1.1 million was redirected by the Government for a campaign in South Australia on Age Pensions and Pensioner Concessions. Expenditure: \$31.5 million, as at 31 December 2015.
Media and other expenditure (inc. GST)	Media placement: \$23.6 million. (<i>Phase 1: \$8.5m, Phase 1b: \$4.5m and Phase 2: \$10.5m</i>). Creative agency: \$6.4 million; Research and evaluation: \$1.2 million; and Public relations: \$0.4 million.

Source: ANAO, from Treasury documentation.

Campaign development and approval

3.4 In late November 2014, Treasury procured developmental market research to ‘gauge community understanding of how economic choices and trade-offs affect the Australian community’. The department advised the Treasurer in late December 2014 that the research had found, ‘that framed in the right way, all segments of the community are keen to engage in a discussion on the future of the Australian Economy’. The Treasurer agreed to Treasury’s recommendation to proceed with the development of an advertising campaign.

3.5 The Service Delivery and Coordination Committee (SDCC) reviewed the campaign on 14 occasions. The committee approved the campaign communication strategy, selected the creative and public relations agencies, and approved the finalisation of the creative materials and media plan.

3.6 The campaign communication strategy, approved by the SDCC, outlined a plan to deliver the campaign in four phases. The first phase would coincide with the release of the 2015 IGR, the second and third phases would bookend the 2015–16 Commonwealth Budget, and a fourth phase would follow some months after the Budget. The first phase sought to use the IGR as a platform to raise public awareness and understanding of economic and social challenges. The focus of the phases bookending the Budget was not articulated and the subject matter and timing of the fourth phase were not defined.

3.7 The Treasurer approved the launch of the campaign's first phase on 8 March 2015, after the release of the IGR on 5 March 2015. Instead of conducting a second and third phase to bookend the Budget, the SDCC approved the extension of the first phase in mid-April 2015, for a further three weeks ('Phase 1b'). The Treasurer approved the launch of Phase 2 on 26 May 2015, two weeks after the release of the 2015–16 Commonwealth Budget. The campaign was originally planned to communicate information on small business, jobs and childcare measures included in the Budget (and how those measures linked to the IGR challenges). Only advertisements concerning the small business measures were approved for launch.

Were the guidelines applied?

The Treasury Secretary certified that the campaign complied with the 2014 Guidelines. The ANAO's review of the information supporting the certification indicated that there were some shortcomings in advice and departmental processes relating to compliance with procurement policies and procedures.

The Treasury Secretary's certification that the campaign complied with the 2014 Guidelines was underpinned by detailed advice from the department. It was also supported by a number of other inputs such as research and legal advice. As the Independent Communications Committee had not yet started to operate the first phase of the campaign was not subject to third party review against the 2014 Guidelines.

The initial campaign budget was informed by Master Media Agency^a advice, without campaign objectives having been specified. The campaign was designed in a manner that provided flexibility in the subject matter and timing of different phases of campaign activity. Some campaign materials were developed, at a cost of more than \$1.7 million, which were not used. Treasury advised the ANAO that the materials were developed:

- in accordance with decisions of the Service Delivery and Coordination Committee; and
- having regard to the advice of the Independent Communications Committee.

Treasury further advised that as soon as relevant decisions were communicated it stopped work to minimise any additional spending.

In relation to Principle 5 (compliance with relevant procurement and legal requirements), Treasury's procurement documentation did not reflect the Service Delivery and Coordination Committee's substantive role in making key campaign decisions and providing financial approvals. The ANAO also identified areas in which Treasury did not follow procurement policies. Contracts for research services were not varied in a timely manner, and AusTender reporting was not always accurate.

Note a: The Master Media Agency is part of the Australian Government's Central Advertising System, which consolidates government advertising expenditure to secure optimal media discounts. Under the system, the Master Media Agency assists in media planning, placement and rates negotiations with media outlets.

Campaign review, certification and publication processes

3.8 The Treasury Secretary signed the chief executive certification for the first phase of the campaign on 6 March 2015. The first phase of the campaign was not subject to SMOS or third party review against the Guidelines. Phase 1 was launched around five weeks after the 2014 Guidelines took effect, but the new Independent Communications Committee (ICC) had not yet started to operate. Finance had agreed that Phase 1 would not be reviewed by the ICC, as the campaign was well progressed at the time.

3.9 For the second phase, Treasury completed the ICC review, chief executive certification and publication requirements. The ICC was in place and on 20 May 2015 reviewed the campaign strategy, developmental research, draft media strategy, indicative media plan and the statement of compliance. The ICC concluded that the proposed second phase (small business component) was capable of complying with Principles 1 through to 4 of the Guidelines. On 3 June 2015, the ICC also reviewed materials for a planned 'jobs' component of Phase 2 of the campaign, but this component did not proceed. On the basis of the ICC's advice, and the advice of Treasury officers, the Treasury Secretary certified the second phase of the campaign on 22 May 2015.

Basis for the chief executive's certification against the five information and advertising campaign principles

Principle 1—was the campaign relevant to government responsibilities?

3.10 The subject matter of the campaign's first phase was underpinned by legislative authority. Under the *Charter of Budget Honesty Act 1998*, the Australian Government is required to produce an IGR every five years. The subject matter of the second phase—the small business measures, were decisions of Cabinet announced as part of the Budget, and were intended to be implemented during the current Parliament (some of the measures were to take effect from 12 May 2015).

3.11 During the meetings held to consider components of Phase 2 of the campaign, the ICC suggested that Treasury ensure that the campaign website clarify that measures were subject to the passage of legislation. Treasury was supportive of this suggestion. Ultimately, the small business measures received bipartisan support and received royal assent on 22 June 2015. Treasury advised the ANAO that the risk that the jobs and childcare measures might not pass the Parliament (which was also raised by the ICC) had informed its decision to not proceed with those Phase 2 components.

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

3.12 Treasury's relevant policy area reviewed the Phase 1 and 2 campaign materials. It advised that the materials were accurate and relevant sources could be cited for the information provided in the advertisements.

3.13 The campaign objective was to engage with and inform the community on the issues and challenges identified in the Intergenerational Report; as well as to provide an overarching narrative on the need to plan for the future. Nine rounds of concept testing were conducted to measure and refine the various campaign materials. Before the release of Phase 1 the researcher concluded that the campaign had transitioned well from concept to execution; with the creative approach, providing 'a unique and engaging platform with almost universal appeal'. The

researcher noted that ‘such big issues creates expectations that this is the start of a conversation that will play out over many months. Absence of further engagement or update would risk the campaign being dismissed as “window dressing”.’

3.14 In relation to Phase 2 (small business only) campaign materials, testing was less positive overall. Testing indicated that the materials were working adequately, typically with only minor refinements required. Testing was also conducted for campaign materials for the jobs and childcare elements of Phase 2 (which were work in progress at the time).

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

3.15 Treasury’s statements of compliance advised the Secretary that the information presented in the campaign met all criteria³¹ listed under Principle 3, and was supported by research findings that the material was seen as apolitical by research respondents. The statements further advised that the advertising materials had been developed by the creative agency to be objective, presenting the IGR projections and highlighting challenges that Australia faces over the next 40 years. The department considered that the challenges were for all Australians to consider and did not promote specific party political interests. Treasury noted that the advertisements broadly referred to measures that could be undertaken to alleviate some of the challenges, but were not presented as the only solution, and the advertisements asked people to form their own opinions about how challenges could be addressed.

Principle 4—was the campaign justified and undertaken in an efficient, effective and relevant manner?

The need for the campaign

3.16 Developmental market research was conducted in late 2014 to ‘gauge community understanding of how economic choices and trade-offs affect the Australian community’. The research identified low confidence with economic concepts and that respondents felt that they were not invited or expected to take part in economic discussions. The research also found that the IGR (as described) came across as authoritative, objective (not partisan), forward looking, and trustworthy. There was considerable interest in hearing about the IGR’s findings. The researchers observed that discussion of the IGR’s key themes provided respondents with an opportunity to discuss the implications and consider solutions—being participants in the outcomes, rather than a ‘disgruntled audience criticising from the sidelines’. The research proposed engaging Australians in the need for future planning and inviting them to participate in the process. It considered the IGR to be a powerful trigger to start the conversation due to its perceived credibility, long-term focus, long standing, and ‘(most powerfully of all) independence from party politics’.

31 Paragraph 28 of the Guidelines also states that ‘Campaigns must not:

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

3.17 In considering the need for a campaign, Treasury records do not indicate whether there was consideration of alternatives to a paid campaign. Treasury confirmed that the three earlier IGR reports were not supported by an advertising campaign, and advised the ANAO that it was of the view that previous intergenerational reports had not had the desired impact, and only people with an interest in economics had fully engaged with the report. Treasury further advised that the report itself was not in a form which it considered to be easily accessible, consisting of a significant number of pages and being data dense. An advertising campaign was considered a way of communicating the key messages of the report to the broader public. Treasury also advised that, as part of Phase 2 of the campaign, there was a need to advise small business owners of relevant small business changes announced in the 2014–15 Commonwealth Budget.

Delivering the campaign in an efficient, effective and relevant manner

3.18 Treasury's initial request for indicative media budget advice from the Master Media Agency (MMA) was sought and obtained within a day. Treasury provided the MMA with very general information, including: a broad timeline; that all audiences would be targeted and all media channels used; and an indicative media budget of between \$20 million and \$40 million. Treasury also noted in its request that the media budget was to be based on the MMA's advice. The MMA was not provided with the objectives of the campaign, and the Department of Finance (Finance) subsequently expressed concerns to Treasury about advice being sought of the MMA without the campaign objectives being provided. Finance also noted that the media buy suggested by the MMA (of around \$27 million over a four month period) was very high, and highlighted that the buy represented a greater spend than the Department of Defence made across the whole financial year on its recruitment campaigns.³² Treasury advised the ANAO that the IGR campaign had little in common with a targeted defence recruitment campaign and had distinctly different objectives, audiences and messages.

3.19 Treasury sought the advice of the MMA to inform the media buys for Phase 1, the extension of Phase 1, and for Phase 2. As shown in Table 3.1, \$23.6 million was spent on media placement over four months, from the start of March to the end of June 2015.

3.20 As discussed in paragraph 3.6, the campaign was designed in a manner that provided flexibility in the subject matter and timing of different phases of campaign activity. In accordance with decisions of the SDCC, Treasury developed, tested and refined a number of campaign materials that were ultimately not used. These included: a 'Phase 1.5' (separate to the extension of Phase 1), which was to consist of case studies to personalise some of the issues identified in the IGR and Phase 1 of the campaign; and materials developed for the jobs and childcare Budget measures for Phase 2. Analysis of the invoices of the creative and research agencies indicate that approximately \$1.7 million was expended on the development of Phase 1.5 materials that were not used.³³ Treasury advised the ANAO that as soon as SDCC decisions were communicated it stopped work to minimise any additional spending, and no media placement costs were incurred.

3.21 The Phase 2 media budget (of approximately \$10 million), which was originally intended to be used for its three components, was used for the small business advertisements. This approach was agreed by the SDCC.

32 Defence recruitment campaigns are typically the largest conducted by the Australian Government each year. In 2012–13, expenditure of Defence recruitment campaigns was \$20.8 million. In 2013–14, \$30.3 million was spent on defence recruitment campaigns.

33 Further costs of developing the jobs and childcare elements of Phase 2 could not be separately identified.

Principle 5—did the campaign comply with relevant legal requirements and procurement policies and procedures?

3.22 Treasury sought legal advice from the Australian Government Solicitor (AGS) on the campaign's compliance with relevant laws.³⁴ The AGS confirmed that the materials provided appeared to be consistent with all relevant laws.

3.23 As noted in paragraph 3.5, the SDCC had a decision-making role in the campaign. The SDCC selected the creative and public relations agencies, and approved the media buys. While the SDCC was the substantive decision-maker on these matters, Treasury's procurement documentation made no mention of the committee, and was prepared as if Treasury alone was the decision-maker. Treasury advised the ANAO that formal advice on the review and approval process for advertising campaigns was not provided by Finance until July 2015, after all phases of the IGR community engagement campaign had been developed (refer to paragraph 2.6). As such, Treasury advised the ANAO that it had worked under the assumption that campaign procurements were its responsibility.

3.24 For the campaign Treasury procured research, creative services, public relations services and arranged for the placement of media. The ANAO identified that a number of research reports were completed without the original contract being varied to commission the additional work. Treasury instead amended contracts in time to make payments to the supplier. With respect to AusTender reporting, all reported contracts and amendments were reported within the 42 day time limit, but the reported start and end dates were not always correct and descriptions were not clear.³⁵ In addition, contract amendments were reported as new contracts, making it difficult to track contract and amendment linkages, and where work had been extended.

34 Treasury advised the ANAO that it had sought legal advice from the AGS as it 'has no in-house legal staff to perform this role'.

35 For example, contracts for three campaign services were reported as either 'management advisory services' or 'management support services.' Treasury advised the ANAO that it would not publish any details of a proposed campaign on AusTender that could be detrimental to the confidentiality of government decision making or the ultimate success of the campaign. The ANAO has observed that other entities in similar situations have maintained confidentiality while still providing more specific descriptions of the services provided. Further, some entities have amended AusTender descriptions, once a campaign has launched, to make it clear that the services were campaign-related.

Was the campaign evaluated to determine its effectiveness?

The campaign was monitored and evaluated, but insight into the campaign's overall effectiveness was hampered by a lack of specific performance targets. Tracking research was conducted during the course of the campaign, and an evaluation was conducted during September 2015. The evaluation concluded that the 'campaign achieved strong reach among its target audiences, especially during phase 1'. While Phase 1 had achieved good cut through and had raised awareness of the IGR, the advertisements had not raised awareness of key IGR challenges. The evaluation recommended that any future communications activity should focus on explaining specific reforms and should disassociate from the IGR due to: the lack of awareness and understanding of specific IGR content; and the IGR's perceived focus on difficulties rather than opportunities. While the evaluation compared a number of performance measures against relevant pre-campaign benchmarks or tracked changes in measures throughout the campaign, specific targets had not been set by Treasury. As a result, it was not possible to gain insight into the campaign's overall effectiveness and relative value for money. Treasury acknowledged that the campaign strategy did not include specific measures against the campaign objectives.

3.25 The evaluation found that up to 75 per cent of the target audience had been exposed to Phase 1 advertisements, and 66 per cent of the target audience to Phase 2. The evaluation found that unprompted recall of the campaign, around six months after its commencement, was 'limited'. Around 11 per cent of the general community and 21 per cent of small business audiences recalled any Australian Government advertising about future economic and related challenges. When prompted, 39 per cent of respondents recognising images from Phase 1 advertisements. The evaluation found that 'unprompted recall of the key messages [of Phase 1] was limited'; with one in four respondents mentioning that the advertisements were communicating a 'need for innovation/plan for the future' and eight per cent mentioning 'changes/challenges'. Respondents' recall of Phase 2 advertisements and key messages was lower than Phase 1, with 10 per cent of the general population, and 14 per cent of small business owners, recognising images from Phase 2.

3.26 The evaluation found that a majority of research respondents took no action in response to seeing or hearing the advertisements (73 per cent for Phase 1 and 65 per cent for Phase 2). Some respondents advised that they had discussed the campaign with friends or family, but the evaluation did not seek to gauge whether or not the discussions were positive. A majority of small business owners who had recalled seeing Phase 2 advertisements had taken some action, including searching for more information online or talking to family and friends. Treasury advised the ANAO that the campaign website had received over half a million page views by the end of 2015. There had also been almost five million views on the IGR YouTube channel,³⁶ and the public had engaged with the campaign via social media. There were more than 100 000 engagements on Facebook and Twitter.³⁷

36 Approximately four million of these views were paid for as part of the campaign, and almost one million were unpaid views.

37 There were over 11 million post views on Facebook, with 100 000 engagements and almost 400 followers. On Twitter, there were more than 16 million post views, 34 000 engagements and almost 5000 followers.

3.27 The evaluation recommended that any future communications activity in relation to economic reform 'should focus on explaining specific reforms (how they are being undertaken, their positive impact and specific rationale) rather than building the general case for change.' The report also recommended that future activity disassociate from the IGR due to the lack of awareness and understanding of specific IGR content and its perceived focus on difficulties rather than opportunities. This recommendation contrasts with the key proposition of the developmental research that the IGR would be a powerful trigger to start a public conversation.

3.28 While the evaluation compared a number of performance measures against relevant pre-campaign benchmarks or tracked changes in measures throughout the campaign, specific targets had not been set by Treasury. As a result, it was not possible to gain insight into the campaign's overall effectiveness and relative value for money. For future campaigns Treasury should develop specific targets to measure achievement of campaign objectives. In this regard, the Treasury Secretary advised the ANAO that:

...the IGR campaign strategy did not include specific measures against our campaign objectives. Our objectives however were clear about the intentions for both phases of the campaign and we evaluated against these.

I would welcome the inclusion of specific targets to measure campaign effectiveness across all government communication strategies. In implementing campaigns, departments come under great scrutiny to justify and evaluate campaign effectiveness with little understanding of how these judgements are made. In being able to effectively evaluate campaign effectiveness and value for money, more robust work needs to be done around the evaluation of government campaigns.

Currently, there is no government owned instrument or guidance on how government advertising campaigns are evaluated by independent or government committees, which leaves departments at the mercy of subjective interpretation.

4. The Higher Education Reforms Communication campaign

Areas examined

This chapter provides an overview of the Higher Education Reforms Communication campaign, and examines the operation of the review, certification and publication processes and the tracking and evaluation of the campaign's effectiveness.

Conclusion

The Secretary's certification that the campaign complied with the Interim 2013 Guidelines was supported by detailed advice from the department. The ANAO's review of the information supporting that advice indicated that there were some shortcomings in advice and departmental processes relating to: presenting campaign materials in an objective and fair manner; compliance with procurement policies and procedures; and not advising the Secretary of concerns raised in relation to compliance with relevant legal requirements.

Areas for improvement

There is scope for Education to improve its compliance with relevant procurement policies and procedures.

A key legal issue faced by the department was whether a campaign could be launched before the passage of relevant legislation. This issue has also arisen in the context of other campaigns. Finance should consider seeking formal advice from the Australian Government Solicitor in relation to instances where it is proposed that campaigns precede the passage of relevant legislation.

For future campaigns Education should also develop specific targets to measure achievement of campaign objectives.

Campaign Overview

4.1 The Australian Government announced significant changes to the higher education system in the 2014–15 Commonwealth Budget. The changes were intended to allow higher education institutions to set their own course fees and expand the demand-driven system to bachelor and sub-bachelor courses at all institutions registered with the Tertiary Education Quality and Standards Agency. Students would continue to be supported by the Higher Education Loan Programme (HELP) and a new scholarship scheme for disadvantaged students was to be introduced. In addition, the Commonwealth's contribution towards course fees was to be reduced by 20 per cent on average to support the long-term sustainability of higher education funding.

4.2 The Government provided funding in the 2014–15 Mid-Year Economic and Fiscal Outlook for a campaign to 'inform students and all Australians about the current higher education system, the funding available to students and to provide prospective students with information to help guide their decision making.' The campaign was administered by the Department of Education and Training (Education), and was subject to the 2013 *Short-term Interim Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* (the Interim 2013 Guidelines). The key elements of the Higher Education Reforms Communication Campaign are summarised in Table 4.1, and an example advertisement is shown in Figure 4.1.

4.3 The Government introduced legislation to implement the changes on 28 August 2014, as part of the *Higher Education Research and Reform Amendment Bill 2014* (the first Bill). The Senate rejected the first Bill on 2 December 2014, a few days before the campaign launched. The Government then introduced the *Higher Education and Research Reform Bill 2014* (the second Bill) to Parliament the following day, with minor amendments to the first Bill. The changes were the subject of significant public discussion, which included their impact on future students and the likelihood of the bills receiving parliamentary support. These discussions occurred throughout the campaign, stimulated by political debate and the release of 2016 pricing structures by a few universities. The Senate rejected the second Bill on 17 March 2015 and the campaign was discontinued.³⁸ In October 2015, the Government announced that the introduction of higher education changes would be delayed until at least 2017.³⁹

Table 4.1: Summary of the Higher Education Reforms Communication Campaign

Campaign summary	
Objectives	<p>Overarching campaign objectives:</p> <ul style="list-style-type: none"> • counter myths and misconceptions about higher education in Australia; • raise awareness of the types of Government support for higher education available now and into the future; • raise target audience awareness of higher education reforms; and • encourage target audiences to seek further information.
Timing	<p>Phase 1a: 7 December 2014 to 21 December 2014 (with some newspapers continuing until 31 December).</p> <p>Phase 1b: 27 January 2015 to 14 February 2015.</p>
Target audiences	<p>Primary target audiences were prospective higher education students aged 16 to 24 and prospective mature aged higher education students, aged between 25 and 50. Secondary target audiences included parents and carers of potential students, career advisors, role models, family members, Australians with a HECS debt; and the general public.</p>
Media channels	<p>The campaign employed television, radio, newspapers, search engine marketing, online television, digital display and mobile, cinema, Out of Home, as well as channels to reach Indigenous and culturally and linguistically diverse Australians.</p>
Total budget and expenditure (inc. GST)	<p>Total approved Budget of \$14.6 million.</p> <p>Expenditure: \$9.8 million, as at April 2016.</p>
Media and other expenditure (inc. GST)	<p>Media placement: \$6.7 million.</p> <p>(Phase 1a: \$3.9m, Phase 1b: \$2.8m).</p> <p>Creative agency: \$2.1 million; Research and evaluation: \$0.9 million; and Other (including social media monitoring): \$0.2 million.</p>

Source: ANAO from information provided by Education.

38 The Government redirected the remaining campaign funding to a new campaign to raise awareness of the positive effects of parental engagement on children's achievement in education. The *Parent Engagement Campaign* launched on 23 August 2015, and was not examined as part of this audit.

39 As part of the 2016–17 Commonwealth Budget the Government announced that to provide for finalisation of reform details and to obtain further input, the reforms would not commence until 1 January 2018.

Figure 4.1: Example of print advertisement



Source: Education.

Campaign development and approval

4.4 On 17 July 2014 Education provided the Minister with advice on a communication approach employing radio, print, digital, social media and outdoor advertisements, for two indicative budget levels (\$12 million and \$15 million). The Minister agreed to proceed with the development of the campaign and Education procured developmental research in early October 2014 to explore awareness of and attitudes to the proposed higher education changes. Funding was approved in October 2014 and Education developed advertisements over five weeks for launch in early December 2014. The Service Delivery and Coordination Committee (SDCC) was involved in campaign development and approval, reviewing the campaign on four occasions. The SDCC considered the campaign approach, shortlisted and refined creative concepts and selected the creative agency, approved the media plan and reviewed final creative materials.

Were the guidelines applied?

The Education Secretary certified that the campaign complied with the Interim 2013 Guidelines. The ANAO's review of the information supporting the certification indicated that there were some shortcomings in advice and departmental processes relating to: presenting campaign materials in an objective and fair manner; compliance with procurement policies and procedures; and not advising the Secretary of concerns raised in relation to compliance with relevant legal requirements.

In relation to Principle 2 of the guidelines (that campaign materials should be presented in an objective, fair and accessible manner and designed to meet the campaign objectives), the campaign's objectives were to counter myths and misconceptions about higher education, raise awareness of government support, and to raise awareness of the proposed policy changes. Campaign research highlighted that potential students and their families wanted to learn more about the changes and in particular their impacts on student fees. The campaign materials did not directly address the issue of student fees, and did not provide information on how key policy settings would impact on the cost of undergraduate degrees.

A sub-principle of the guidelines provides that facts should be accurate and verifiable. A central campaign statement was that 'The Australian Government will continue to pay around half of your undergraduate degree'. The department's data indicated that in 2014 the government was contributing, on average, almost 60 per cent towards the cost of undergraduate degrees. The department's modelling indicated that the proposed policy changes were expected to result in an average Commonwealth contribution of almost 43 per cent in 2018. In calculating this average Commonwealth contribution level (42.7 per cent) Education included a number of students subject to existing arrangements. Education advised the ANAO that if only those students subject to the reforms were included, the average Australian Government contribution to undergraduate degrees was estimated to be 39.5 per cent by 2018. Education advised the ANAO that its 'fee assumptions indicated that the proposed changes were expected to result in roughly equal government and student contributions across all subsidised students in 2016, the year in which the changes would commence and which was of primary interest to students'. The department's data and modelling supports the campaign statement for the first year (2016), with students subject to the existing arrangements taken into account. However, the statement is not as strongly supported in the subsequent years, and for all new students to whom the reforms were to apply. The statement could also have been misinterpreted by potential students and their families because, at the individual level, the government's contribution to different courses varies considerably.

In relation to Principle 5 (compliance with legal and procurement requirements), Education sought advice on the campaign's compliance with relevant laws. Two key issues raised in legal advice were the possible outcome of any constitutional challenge to the campaign (if the campaign preceded the passage of the relevant legislation) and the potential for two statements to mislead target audiences (including the central statement discussed above). Education's statements of compliance, which were prepared to inform the Secretary's certification of the campaign, advised that legal advice had confirmed the campaign's compliance, without noting these concerns. Education advised the ANAO that it was satisfied with internal legal advice and made the judgement that, on balance, the two statements were

not misleading to the target audience. Education also did not maintain full records of its procurement activities or report all relevant contracts on AusTender in a timely fashion.

Campaign review, certification and publication processes

4.5 The Education Secretary certified that Phase 1a of the campaign was compliant with the Interim 2013 Guidelines on 25 November 2014, and the Acting Secretary certified Phase 1b on 20 January 2015. Both chief executive certifications were supported by detailed statements of compliance prepared by the department to demonstrate and justify the campaign's compliance with the five principles. The SMOS endorsed both phases of the campaign, and the Minister approved the launch of Phase 1a on 2 December 2014 and Phase 1b on 20 January 2015.

Basis for the chief executive's certification against the five information and advertising campaign principles

Principle 1—was the campaign relevant to government responsibilities?

4.6 The campaign provided information on two matters: the current higher education system and the proposed higher education changes. The higher education system is underpinned by Commonwealth legislation, the *Higher Education Support Act 2003*. The proposed higher education changes were announced as part of the 2014–15 Commonwealth Budget. The changes were a Cabinet decision and were intended to be implemented during the current Parliament. Legislation was twice presented to Parliament for that purpose.

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

4.7 The objectives of the campaign were to counter myths and misconceptions about higher education in Australia, raise awareness of government support for higher education, raise awareness of the proposed policy changes; and to encourage the target audience to seek further information. The developmental research highlighted that potential students and their families wanted to learn more about the changes and in particular their impacts on student fees. The campaign materials did not directly address the issue of student fees, and did not provide information on how key policy settings would impact on the cost of undergraduate degrees. Information not provided included that: universities would set course fees in the future; the government's contribution towards course fees was to be reduced by 20 per cent on average; and the government's contribution would be capped, meaning that any unexpected increases in course fees by universities would be borne by students. Education advised the ANAO that providing 'further detail on future fee arrangements had potential to harm the operation of the market by acting as a price signal to institutions.'

4.8 A sub-principle of the guidelines provides that where information is presented as a fact, it should be accurate and verifiable. The campaign provided information on the Commonwealth's contribution to the cost of undergraduate degrees. A key campaign statement was that 'The Australian Government will continue to pay around half of your undergraduate degree'.⁴⁰ Education advised the ANAO that in considering the statement, the department took account of a number of information sources. These included: current arrangements where differential

40 The campaign also highlighted that HECS was 'here to stay', that HECS would 'cover the rest'; and that students could 'study now and pay zero course fees upfront'.

contributions occur (i.e. differing contribution levels towards tuition costs for particular courses); public statements of proposed fees made by some universities and private providers; and analysis of current fees charged by non-universities. The department advised that its 'fee assumptions indicated that the proposed changes were expected to result in roughly equal government and student contributions across all subsidised students in 2016, the year in which the changes would commence and which was of primary interest to students'. Education further advised the ANAO that the estimates for 2016 were considered to be more reliable due to the uncertainties inherent in estimating future outcomes in a deregulated environment.

4.9 To support the statement with respect to its reference to the existing system, Education provided the ANAO with data to demonstrate that the Australian Government had been contributing, on average, almost 60 per cent towards the total cost of undergraduate degrees. At the individual student level, Education's data showed that the government contribution varies—ranging from 16 per cent to 72 per cent depending on the funding stream and units enrolled in.⁴¹ Education advised the ANAO that the intent of the statement was to communicate that 'on average' the Australian Government contribution to degrees would remain 'around half'.

4.10 To support the statement with respect to its reference to the Commonwealth's contribution under the proposed changes, the department provided the ANAO with projections developed in 2014, including broad estimates of the respective contributions of the government and students. The projections indicated that the Australian Government's contribution to the cost of higher education for all students was expected to decrease under the changes; moving from an average of 58.2 per cent in 2014 to 42.7 per cent in 2018. This average Commonwealth contribution level (42.7 per cent) includes a number of students subject to the existing arrangements (because those students had commenced their degree before the reforms were to take effect). Education advised the ANAO that the average Australian Government contribution to undergraduate degrees—for only students subject to the reforms—was estimated to be 39.5 per cent by 2018. The department's projections were at an aggregate level and cannot be applied to specific degrees or individual circumstances.

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

4.11 The statements of compliance prepared by Education to inform the Secretary's certification of the campaign's compliance with the guidelines stated that the campaign presented messages in an objective manner, and that the language used did not foster a positive impression of a particular political party or their interests. Specific testing had been undertaken to inform the department whether material was perceived as being political in nature.

Principle 4—was the campaign justified and undertaken in an efficient, effective and relevant manner?

The need for the campaign

4.12 Education advised the Minister in July 2014 that communications about the proposed changes were necessary as future university students and their families needed to understand how they may be affected. The subsequent developmental research found that overall, participants had a limited understanding of the existing higher education system, which could lead

41 Variation in contribution levels for individual undergraduate degrees was to continue under the changes.

to students making uninformed decisions about pursuing higher education. The research indicated that participants had only a moderate basic awareness that the Government was proposing changes, and very limited awareness of the specifics of the proposals. Many participants associated the changes with potential rises in the cost of higher education. Participants strongly agreed that the Government had a responsibility to educate people about the changes and showed significant interest in how they would affect students and the system, when the changes would take effect, and why they were proposed.

Delivering the campaign in an efficient, effective and relevant manner

4.13 In July 2014 Education provided advice to the Minister on a possible campaign and provided two indicative budget levels, the highest being \$15 million. The department advised that the indicative budget was informed by informal verbal advice from the Master Media Agency (MMA) about a possible media buy. Education subsequently sought more detailed advice from the MMA in mid-October 2014, but this was based only on specific information about possible campaign target audiences. Other important considerations, such as campaign objectives and key messages, were not provided to the MMA. The indicative budget provided to the Minister in July had anticipated no television, but Education's approach to MMA in mid-October included television, and sought advice on maximising its use. The reasons for this change in approach were not documented.

4.14 Education used the MMA to place media for Phase 1a and Phase 1b. The MMA advised Education that booking conditions, particularly for television, were extremely tight. Education booked media around two to three weeks in advance of each phase. The MMA reported to Education that retail advertisers generally booked airtime 12 to 14 weeks in advance.

4.15 Education sought the SDCC's approval of the final media plan in November 2014. Education proposed that the campaign be delivered in two phases, to broadly coincide with key student decision points, including when students received their final schooling results and university offers. Phase 1 of the campaign was proposed to run prior to the passage of the legislation, and would aim to create 'foundation' knowledge about the current system to enable audiences to understand the changes. Phase 2 was to focus on informing audiences about the benefits and details of the changes. The campaign launched after the Senate's vote on the first Bill, and both Phase 1a and 1b contained a mix of information about the existing system and the proposed changes.

Principle 5—did the campaign comply with relevant legal requirements and procurement policies and procedures?

4.16 Education sought legal advice on the constitutional validity of the campaign from the Australian Government Solicitor (AGS) on 22 October 2014. The advice stated that as a general proposition, Commonwealth spending on a communication campaign to inform people about the operation or effect of legislation could be supported by reference to the same legislative power that supports the legislation to which the campaign relates. Further, spending on such a campaign was unlikely to require legislative authority in addition to its appropriation, because the spending could probably be characterised as spending on the ordinary and well-recognised functions of government. AGS also noted qualifications of these general propositions, including that if the campaign was conducted before the relevant legislation was passed, then there was an increased risk (described as rising from low to medium) that in the event of a constitutional challenge the courts may not regard the campaign as part of the ordinary and well-recognised functions of government. AGS advised that it would be prudent for Education to seek further advice if the proposed campaign spending was to occur before the Bill was enacted. As noted in paragraph 4.3,

the campaign launched a few days after the Senate rejected the first Bill. Education advised the ANAO that further advice was not sought from AGS. Education advised that it had sought verbal feedback from the Department of Finance (Finance) about the number and types of previous campaigns that had launched before relevant legislation. Finance advised the ANAO that it had no record of providing a formal response to Education on this matter.

4.17 The issue of a campaign preceding the passage of related legislation also arose in the *Intergenerational Report 2015 Community Engagement campaign* (refer to paragraph 3.11). Noting that the guidelines allow for the subject matter of campaigns to be underpinned by Cabinet decisions which are 'intended to be implemented during the current Parliament', Finance should consider seeking formal advice from AGS to clarify the issue.⁴² Finance advised the ANAO that:

Principle 1 of the *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* allows for campaigns to inform the public of new, existing or proposed government policies or policy revisions. As the Guidelines are clear and unambiguous in this regard, Finance does not believe there would be any benefit in seeking generic legal advice on this matter. Entities will continue to seek specific legal advice to inform their Chief Executive certifications, as appropriate.

4.18 Education also sought internal legal advice on the campaign's compliance with relevant laws (such as broadcasting, electoral and consumer protection laws) in late November 2014. Two campaign statements were identified as giving rise to a 'risk that the Australian Government could be found to have engaged in misleading or deceptive conduct under section 18 of the *Competition and Consumer Act 2010*.' These statements were:

- 'the Australian Government will continue to pay around 50% of your undergraduate degree'—the advice suggested that Education should confirm that the statement would be correct for each student undertaking an undergraduate degree supported by HECS. Specifically, the advice stated that: 'you will need to ensure that the level of Australian Government support for each undergraduate degree is not less than 47% as any amount less than 47% may not be considered "around" 50% by the Australian Competition and Consumer Commission'; and
- 'on average, uni grads earn 75% more than school leavers and have more career opportunities'—the advice suggested that the basis for the statement should be made clear (for example, through the use of a footnote or disclaimer).

4.19 During the course of early campaign development, Education sought a general view from Finance about whether statements made in a proposed television advertisement should be 'footnoted'. In response, Finance advised Education that it was Education's responsibility to ensure the campaign's compliance with the Guidelines. Finance also advised Education that if the campaign did not make 'any definitive or absolute claims', it was not usually necessary to include footnotes or disclaimers in campaign advertisements, so long as the statements were supported by sufficient evidence. In the course of this audit, Finance advised the ANAO that at the time

42 The ANAO notes that in 2011 Senator Nick Xenophon introduced legislation into the Australian Parliament (titled the *Government Advertising (Accountability) Bill 2011*) seeking to 'prohibit the use of public money for advertising government policy unless it has been enacted in legislation'.

Education sought the advice, Education did not disclose that it had already sought and received legal advice. Accordingly, Finance's advice was not framed in that context.⁴³

4.20 Education's statements of compliance advised that legal advice had confirmed the campaign's compliance, without noting any concerns. Education advised the ANAO that it 'was satisfied with internal legal advice and made the judgement that, on balance, the two statements were not misleading to the target audience. This decision was then reflected in the recommendation to the Secretary to certify the campaign.'

4.21 The campaign involved the procurement of a range of services including research and evaluation, creative development and media space. The SDCC was effectively the final decision-maker in relation to the shortlisting and selection of the creative agency, and for the campaign media buy. Education was responsible for the selection of research and evaluation suppliers. Education's procurement documentation appropriately reflected the role of the SDCC.

4.22 Education was unable to provide the ANAO with a number of documents relating to the procurement of developmental research and public relations. Education did not report all contracts in a timely fashion. Of six contracts relating to the campaign, two were reported on AusTender within the required 42 days. The remaining four contracts were reported after the deadline.

Was the campaign evaluated to determine its effectiveness?

The campaign was monitored and evaluated, but insight into the campaign's overall effectiveness was hampered by a lack of specific performance targets.

Benchmark, tracking and evaluation research was conducted for Phases 1a and 1b of the campaign. The evaluation concluded that the campaign had 'efficiently and effectively reached target audiences and achieved measurable changes in awareness, perceptions and behaviours'. The evaluation reported that: around half the research participants had seen or heard something about higher education during the relevant time period; but more participants had heard about higher education in the general media rather than the campaign. The evaluation also reported modest but positive improvements in respondents' understanding of elements of the Australian higher education system. While the evaluation compared a number of performance measures against relevant pre-campaign benchmarks or tracked changes in measures throughout the campaign, specific targets had not been set by Education. As a result, it was not possible to gain insight into the campaign's overall effectiveness and relative value for money.

4.23 The evaluation noted the complicated environment in which the campaign ran. The evaluation reported that around half the research participants had seen or heard something about higher education during the relevant time period. Most research participants had heard about higher education in the general media. When prompted about their recognition of the

43 Finance also advised the ANAO that it did not have access to the proposed television commercial or script at the time advice was being sought by Education. Details of the proposed advertising approach were described during the course of a telephone conversation, where an officer from Education indicated that no definitive or absolute claims would be made in its television advertisement. On that basis, Finance subsequently indicated a view to Education that it would not be necessary to include a footnote or disclaimer in the television commercial.

campaign, 41 per cent of respondents recognised campaign materials appearing during Phase 1a and 36 per cent during Phase 1b. Recognition fell slightly in the weeks following the campaign, to 27 per cent. The evaluation report highlighted modest but positive improvements in respondents' understanding of key elements of the Australian higher education system.

4.24 The campaign also aimed to encourage target audiences to seek further information about the higher education system. Around one fifth of research respondents felt Phase 1a made them interested in finding out more about higher education, either in its current form or the proposed changes. Other measures of engagement included:

- the campaign website was visited by 165 675 unique visitors, who spent an average of 1 minute and 9 seconds on the site. The webpage (within the campaign website) titled 'Changes to Higher Education' received a little over 10 000 unique page views;
- social media—Facebook posts reached 6.2 million people, with 85 630 people engaging (by either commenting or sharing). The campaign also resulted in 4.4 million impressions being recorded on Twitter, with 189 people following the relevant campaign twitter handle. In its Phase 1a performance report, the MMA noted that Facebook and Twitter activity had been paused due to negative and offensive responses received; and
- the call centre received 134 questions specifically relating to campaign content.⁴⁴

4.25 As with the evaluation of the *Intergenerational Report 2015 Community Engagement campaign*, the evaluation of the *Higher Education Reforms Communication campaign* compared a number of measures against relevant pre-campaign benchmarks and tracked other measures through the campaign. However, specific targets had not been set by Education and as a result; it was not possible to gain insight into the campaign's overall effectiveness and relative value for money. For future campaigns Education should develop specific targets to measure achievement of campaign objectives.⁴⁵

44 Education had allocated \$500 000 towards the cost of additional staff for its call centre (it had estimated there would be 50 000 extra calls resulting from the campaign). The department advised that the low volume of calls received meant that no additional cost was incurred by the department.

45 This issue also arose in the context of the Treasury IGR campaign. See paragraph 3.27 of this audit report.

5. Anti-people smuggling advertising campaigns

Areas examined

This chapter provides an overview of anti-people smuggling campaigns and examines: the operation of relevant campaign review, certification and publication processes; the effectiveness of the management of the offshore campaigns (to which the guidelines do not apply); and the evaluation of the campaigns' effectiveness.

Conclusion

The chief executives' certifications that the campaigns complied with the relevant guidelines were supported by detailed advice from the department. One element of one of the campaigns was exempted from the guidelines on the basis of extreme urgency relating to a change in government policy, as provided for in the guidelines. The ANAO's review of the information supporting that advice indicated that there were some shortcomings in advice and departmental processes relating to compliance with procurement policies and procedures.

Areas for improvement

There was scope for the department to improve its compliance with relevant procurement policies and procedures.

Campaign overview

5.1 Department of Immigration and Border Protection (DIBP) records indicate that over the five years to 19 July 2013 there were nearly 50 000 irregular arrivals by boat. There were also over 1200 known deaths at sea, and many asylum seekers had been rescued by Australian personnel.

5.2 The *Report of the Expert Panel on Asylum Seekers* (August 2012) recommended strengthened channels of communication about the dangers of boat voyages to Australia and safer alternatives. In response, both onshore and offshore advertising campaigns were developed. Onshore, the *Don't be Sorry* campaign ran between February and June 2013.⁴⁶ Offshore, the Australian Government expanded its communications campaigns in the source countries of Pakistan, Afghanistan, Iran and Sri Lanka. The Government also expanded its communications activities in Indonesia.

5.3 On 19 July 2013, the Prime Minister announced that all asylum seekers who arrived by boat would be sent to Papua New Guinea for assessment, and if found to be refugees, would be settled there. This was a policy change, and a communications campaign was quickly arranged. The *By Boat, No Visa* campaign was certified as complying with the 2010 Guidelines on the day of the Prime Minister's announcement. In Australia, newspaper and radio advertisements commenced the following day, 20 July 2013. National television advertisements commenced on 24 July 2013.

46 The *Don't be Sorry* campaign was not reviewed by the ANAO, as it commenced prior to the period covered by this audit.

5.4 The offshore information and advertising campaign was also implemented quickly. New advertising campaigns commenced in the source and transit countries of Sri Lanka, Afghanistan, Pakistan, Malaysia, Thailand and Indonesia by mid-August 2013.

5.5 In September 2013 a military-led border security operation was established to turn back vessels seeking to illegally enter Australian waters for the purposes of people smuggling. To support this operation, further advertising and information campaigns were commissioned in source and transit countries. Onshore, the *No Way* campaign, which was relatively small and tightly targeted, was undertaken over three phases in 2014 and 2015.

Figure 5.1: Advertising example: *No Way* campaign



Source: DIBP.

5.6 The lead agency for the onshore *By Boat, No Visa* campaign and Phase 1 and 2 of the onshore *No Way* campaign was the Department of Immigration and Border Protection.⁴⁷ The lead agency for offshore communications was the Australian Customs and Border Protection Service (ACBPS). After the change of government in September 2013, offshore communications became the responsibility of a Joint Agency Task Force (JATF); while responsibility for campaign funding remained with ACBPS. JATF commenced management of onshore campaigns in March 2015 with Phase 3 of the *No Way* campaign. A summary of the campaigns is provided in Table 5.1.

47 The Department of Immigration and Citizenship was renamed the Department of Immigration and Border Protection (DIBP) after the change of government in September 2013.

Table 5.1: Summary of anti-people smuggling campaigns

Campaign summary	
Objective	To change the attitudes and behaviours of potential illegal immigrants considering joining illegal maritime ventures to Australia.
Timing	See Table 5.2.
Target audiences	Onshore: <ul style="list-style-type: none"> • <i>By Boat, No Visa</i>: diaspora communities, and the Australian general public (secondary audience). • <i>No Way</i>: diaspora communities only. Offshore: potential illegal immigrants in source and transit countries.
Media channels	Onshore: television, press, radio, online. Offshore: various; including television, online, radio, press, billboard.
Total expenditure for campaigns from 19 July 2013 to 30 June 2015	Onshore: \$8.7 million (inc. GST). Offshore: \$30.8 million. See also Table 5.2.

Source: ANAO, from DIBP documentation.

5.7 Table 5.2 summarises campaign timing and expenditure.

Table 5.2: Campaign timing and expenditure

Campaign component	Campaign period	Expenditure (inc GST)
Onshore— <i>By boat no visa</i>	20 July to 5 September 2013	\$7.5 million
Onshore— <i>No Way</i> (Phases 1–3)	8 June 2014 to 30 June 2015	\$1.3 million ^a
Offshore—communications campaign	2013–14	\$12.8 million
	2014–15	\$17.0 million
Offshore—research and evaluation	2014–15	\$0.9 million

Note a: Includes expenditure on campaign evaluation paid after 30 June 2015.

Source: ANAO, from DIBP documentation.

Did the onshore *By Boat, No Visa* campaign comply with the Special Minister of State's conditions for exempting the campaign from the guidelines?

The department did not comply with all of the Special Minister of State's conditions for exempting the *By Boat, No Visa* campaign from the guidelines. The campaign was granted an exemption from the 2010 Guidelines on the basis of extreme urgency, but was expected to: comply with the underlying principles of the Guidelines; place all advertising through the Central Advertising System; use suppliers from the Communications Multi Use List; and follow sound procurement and administrative processes. Conditions regarding the placement of advertising and the use of suppliers were complied with. The usual order of expenditure approval, contracting and service delivery was not observed in the procurement of media placement and research services.

The campaign was intended to communicate significant changes in migration policy primarily to diaspora communities within Australia, providing information which could then be passed on to families and friends back home. The onshore element of the campaign continued through much of the caretaker period for the 2013 federal election. While the Australian general public was a secondary audience for the campaign, almost 90 per cent of the campaign's media placement was used for mainstream advertising (around \$6.75 million of the \$7.5 million expenditure). Both the onshore anti-people smuggling campaigns that preceded and followed the *By Boat, No Visa* campaign were targeted solely to specific diaspora communities. The Department of Immigration and Border Protection advised the ANAO that arranging advertising in culturally and linguistically diverse media had longer lead times and limited availability, therefore the department considered that mainstream advertising was necessary to immediately inform the target audiences and their influencers of the recently changed policy. Research completed just prior to the campaign found that mainstream media was a less preferred source of information for diaspora communities, behind: their family and friends; Internet sources, in-language television and radio, social media and community organisations.

5.8 The *By Boat, No Visa* campaign was intended to communicate the offshore processing and settlement policy that was announced by the Prime Minister on 19 July 2013. The onshore element of the *By Boat, No Visa* campaign commenced the day after the Prime Minister's announcement. The campaign continued through the caretaker period for the 2013 federal election, which was held on 7 September 2013.

Box 2 Exemption of the campaign from the guidelines and its continuation through the caretaker period

On 19 July 2013, the Minister for Immigration, Multicultural Affairs and Citizenship requested an exemption from compliance with the 2010 Guidelines on the basis of extreme urgency, for a campaign to communicate the government's changed policy settings. The Minister advised the Special Minister of State (SMOS) that the campaign would be 'developed in accordance with the intent of the Guidelines and is supported in a communication strategy that has received positive review from the ICC.' The SMOS granted the exemption on 19 July 2013, on the basis that campaign advertisements were to commence the day following the Prime Minister's

Box 2 Exemption of the campaign from the guidelines and its continuation through the caretaker period

announcement. The SMOS agreed that the campaign would not require ICC involvement or certification by the responsible Secretary, but he advised the Minister that he expected the department to: comply with the underlying principles of the 2010 Guidelines^a; place all advertising through the Central Advertising System; select suppliers from the Communications Multi-Use List; and follow sound procurement and administrative processes.

The 2013 federal election was called on 4 August 2013, and the advertisements ceased upon the commencement of the caretaker period (the following day).^b On 9 August 2013, the SMOS, 'in the public interest and in accordance with the underlying principles governing the use of public funds for campaigns', instructed the Secretary of the Department of Finance and Deregulation and the Secretary of the Department of Immigration and Citizenship to immediately recommence the onshore and offshore campaigns. The SMOS stated that it was 'essential that we stop people making the dangerous journey to Australia by boat' and that both the offshore and onshore components were critical to conveying the message through diaspora communities. The SMOS further stated that it was 'in the interests of national security that this message be broadcast as widely as possible, particularly in the early stages of the new policy.' The SMOS noted that the Leader of the Opposition supported the continuation of the offshore components of the campaign, but not the onshore component. The SMOS considered that having consulted with the Leader of the Opposition, and due to the nature of the campaign, he had fulfilled the caretaker conventions.

Also on 9 August 2013, the Leader of the Opposition wrote to the Secretary of the Department of the Prime Minister and Cabinet (PM&C) regarding the resumption of the onshore component of the campaign. In his response of 11 August 2013, the Secretary of PM&C noted that responsibility for observing the conventions ultimately rested with decision makers, be they agency heads or, in the cases where they are involved, with Ministers and/or the Prime Minister. Further, decision makers were not prevented from making decisions, as the conventions were not legally binding. The Secretary also noted that the SMOS and Minister for Immigration, Multicultural Affairs and Citizenship had directed their respective Secretaries that the campaign should continue. Both Secretaries had complied with the directions, as they were 'required to do under the Public Service Act'. The onshore campaign continued until 5 September 2013.^c

Note a: Under the 2010 Guidelines, the underlying principles governing the use of public funds for all government information and advertising campaigns were that:

- a. members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations;
- b. governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour; and
- c. government campaigns must not be conducted for party political purposes.

Note b: Paragraph 6.1.1 of the *Guidance On Caretaker Conventions* (June 2013) states: 'The Department of Finance and Deregulation and PM&C reviews all advertising campaigns at the beginning of the caretaker period and recommends whether those campaigns should continue or be deferred. Bipartisan agreement is sought for campaigns that are to continue. Campaigns that highlight the role of particular Ministers or address issues that are a matter of contention between the parties are normally discontinued. Campaigns that are of an operational nature, such as defence force recruiting campaigns or public health campaigns, usually continue.'

Note c: Senator Nick Xenophon wrote to the Auditor-General in July and August 2013 about the *By Boat, No Visa* campaign. Copies of this correspondence, and the Auditor-General's responses, are available from the ANAO's website: <<http://www.anao.gov.au/Whats-New/ANAO-News>>.

5.9 The primary target audience for the campaign were the diaspora communities in Australia, particularly the relatives and friends of potential irregular immigrants. It was intended that these people would pass on the message about the policy changes. The Australian general public was included as a secondary audience of the *By Boat, No Visa* campaign, as the general public ‘may be friends and influencers of the target communities, both on and offshore’.

5.10 Some 90 per cent of media expenditure for the onshore *By Boat, No Visa* campaign was on mainstream advertising (domestic Australian English-language media). This approach contrasted with the approach taken for the two onshore anti-people smuggling campaigns that came before⁴⁸ and after⁴⁹ the *By Boat, No Visa* campaign. The two campaigns were targeted solely to specific diaspora communities, and the campaigns therefore used relevant culturally and linguistically diverse media, digital media targeted towards the specific communities, and community engagement. DIBP advised the ANAO that arranging advertising in culturally and linguistically diverse media had longer lead times and more limited availability than mainstream advertising. As a result, mainstream advertising was able to commence the day after the policy announcement, and also be immediately recommenced on 10 August 2013. DIBP also noted that mainstream media reached both the primary and secondary target audiences and that some mainstream media had been geographically targeted to the relevant communities (outside of major metropolitan areas, media was placed in specific geographic areas with high levels of the target diaspora communities in residence). In this regard, the June 2013 evaluation of the *Don't Be Sorry* campaign examined where six diaspora groups obtained their information about migration changes or policy. Mainstream media was the equal seventh (with ethnic newspapers) main or secondary source of information for these populations, behind: their family and friends; Internet sources; in-language television; in-language radio; social media; and community organisations.

5.11 Mainstream advertising ran from 10 to 30 August 2013, with the major metropolitan and national media ending in mid-August 2013. DIBP advised that the department considered that mainstream advertising was necessary to immediately inform the target audiences and their influencers of the recently changed policy. The advertising in culturally and linguistically diverse media started on 23 August 2013 and continued to 3 September 2013.⁵⁰

5.12 The usual order of expenditure approval, contracting and service delivery was not observed in the procurement of media placement and research services. Advertising expenditure for the *By Boat, No Visa* campaign was not fully approved until 13 September 2013, nearly two months after advertising commenced. The contract for tracking market research services was not entered into until after the report was delivered, although expenditure approval was given prior to requesting the services.

48 The *Don't Be Sorry* advertising campaign.

49 The *No Way* advertising campaign, see Table 5.3 for further information.

50 DIBP also advised that Australia Network (international television) advertising ran from 12 August to 21 September 2013 as it was offshore and therefore not subject to caretaker conventions or the election blackout period.

Were the guidelines applied to the onshore elements of the *No Way* campaign?

Key elements of the guidelines, including the certification of the campaign's compliance with the guidelines by the agency chief executive, were applied to the onshore elements of the *No Way* campaign. The chief executive certification for phase 3 was not signed prior to the launch of the campaign. The ANAO was advised that the non-compliance was due to an administrative oversight.

5.13 The first and second phases of the *No Way* campaign were required to comply with the 2013 Interim Guidelines. Phases 1 and 2 were certified by the relevant Chief Executive⁵¹, and endorsed by the SMOS. The certification was supported by documentation including a communications plan, media strategy, campaign materials and supporting research.

5.14 The third phase of the *No Way* campaign was subject to the 2014 Guidelines, but launched on 26 April 2015 before the new ICC had started to operate. The SDCC agreed to the advertising materials and the media plan for the *No Way* campaign.

5.15 The requirement for the relevant Chief Executive⁵² to formally certify the campaign's compliance with the Interim guidelines prior to the launch of the third phase of the campaign was not observed. The ANAO was advised that the non-compliance was due to an administrative oversight, as the communications team had not navigated the onshore administrative process for campaign advertising before. DIBP further advised the ANAO that chief executive certification had been verbally provided on 21 April 2015. The formal certification was signed on 3 June 2015 by the acting Chief Executive Officer of the Australian Customs and Border Protection Service.

51 The Secretary and acting Secretary of DIBP signed certifications.

52 In this case, the relevant chief executive was the Chief Executive Officer of the Australian Customs and Border Protection Service.

Table 5.3: Information which supported the Chief Executive certifications

Guidelines element	ANAO notes on the information which supported the certifications
Principle 1	There was a clear line of sight between campaign messages and government policy; the campaign reflected Cabinet decisions that had been implemented. The <i>No Way</i> campaign sought to strengthen campaign messaging, adding two messages: the rules applied to everyone; and vessels illegally entering Australian waters would be intercepted and removed.
Principle 2	Concept testing undertaken for the first phase of the onshore <i>No Way</i> campaign found that its proposed message was strong, clear and effective. Testing was not undertaken for the second and third phases of the campaign. Minor adjustments were made to the creative materials. The materials were translated for the target audiences.
Principle 3	The <i>No Way</i> campaign communicated clear and unambiguous statements of the applicable policy, targeting the primary audience.
Principle 4	Quantitative research of the views and understandings of the diaspora community was conducted prior to the <i>No Way</i> campaign. The research identified a wide disparity in awareness and believability of the Australian Government's migration policy between cohorts. The campaign targeted onshore communities representing the greatest proportion of irregular maritime arrivals. The campaign did not include mainstream media advertising; focusing on in-language press, radio and social media, and community engagement.
Principle 5	Procurement practices for the <i>No Way</i> campaign were followed. Legal advice indicated compliance with relevant laws.

Source: ANAO, based on entity certification documentation.

Was the offshore campaign well targeted?

The offshore campaign elements reviewed by the ANAO delivered factual messages about Australian Government policy, and targeted potential illegal immigrants in source and transit countries. Spending decisions were well documented, except for activities organised for the offshore elements of the *By Boat, No Visa* campaign.

5.16 The offshore processing and settlement policy announced in Australia on 19 July 2013 was communicated quickly to source and transit countries, using a three tracked approach. Australia sought to use free media coverage in target countries⁵³ following the announcement. Departmental press materials were translated into local languages and Australia's overseas missions engaged with host governments and the local media to convey key policy messages. Free media coverage was followed-up by engaging community, media and online liaison officers to push out news stories and information within target communities, including on social media. The third track of the campaign was media advertising. This included television, radio, cinema, and press advertising, billboards, story books and street theatre. Communications campaigns in each target market were subject to the approval and support of the host government and were tailored for local audiences. Table 5.4 gives an overview of campaign expenditure.

53 Sri Lanka, Afghanistan, Pakistan, Iran, Indonesia.

Table 5.4: No Way Campaign expenditure—offshore

Country/channel	2013–14	2014–15
Afghanistan, Pakistan, Iran and Iraq	\$6.5m	\$7.2m
Sri Lanka, India and Bangladesh	\$2.7m	\$2.4m
Indonesia, Malaysia and Thailand	\$0.8m	\$1.5m
Vietnam	\$0.1m	\$0.2m
<i>Journey</i> telemovie	-	\$3.5m ^a
Online including production (inc. GST)	\$2.7m	\$2.2m

Note a: DIBP advised the ANAO that the total expenditure for the *Journey* telemovie is expected to be \$5.9 million, over two years 2014–15 and 2015–16 (\$4.3 million for production, \$1.6 million for broadcast and marketing).

Source: DIBP.

5.17 The ANAO has not reviewed the offshore campaign against the five information and advertising campaign principles as they do not apply to campaigns outside of Australia. The three underlying principles in the guidelines establish broad expectations relating to the use of public funds for all domestic government information and advertising campaigns, and two of the principles have relevance for offshore campaigns:

b. governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour; and

c. government campaigns must not be conducted for party political purposes.⁵⁴

5.18 There is an overarching legal requirement relating to the proper use of public resources, which applies independently of the advertising guidelines. The ANAO considered the offshore campaign against the two underlying principles and the requirement for the proper use of resources.

Explaining government policy

5.19 The elements of the offshore campaign reviewed by the ANAO clearly and unambiguously communicated the government's policy. These elements were also free from party political argument. Onshore and offshore campaigns shared creative material, featuring a boat on the ocean, and the translated message 'if you come to Australia by boat without a visa, you won't be settled there' or 'No Way—You will not make Australia home.' Offshore television advertisements included images of transfers to offshore detention centres or the Minister for Immigration and Border Protection or the Commander Operation Sovereign Borders delivering a variation of the following message:

Anyone who attempts to travel to Australia illegally by boat without a visa will be intercepted and removed from Australia's waters. And, if you are thinking about travelling to Indonesia to register with UNHCR for resettlement in Australia—think again. There is no point. You will not be considered for resettlement in Australia. The way to Australia is closed.

54 The first underlying principle provides that 'members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations'. This principle is not considered further as the offshore campaign was not directed to the Australian public.

Targeting potential irregular immigrants

5.20 Unlike onshore campaigns, for which developmental and other research may be readily commissioned, identifying and communicating offshore with potential illegal immigrants is more challenging. Targeting was initially informed by interview data from recent arrivals, as well as offshore campaign experience in 2012–13. Boat arrivals effectively ceased by 2014, and further campaign activities were informed by research and intelligence.

5.21 One of the larger research projects undertaken to understand the target audience was a comparative analysis of migrant decision making and intentions. This research compiled the result of surveys conducted between February and December 2014. It provided a wide range of insights, including the areas where people smugglers were active, and the factors contributing to decisions to travel. Further surveys were conducted in June 2015 in Sri Lanka and Pakistan to ascertain demand for irregular migration to Australia.

5.22 The JATF adopted a range of approaches to target identified audiences. Communications in most locations were dominated by Australian Government branded mainstream media advertisements, including with locally developed creative materials, such as the 'Don't throw your money in the water' campaign in Sri Lanka (see Figure 5.2). Mainstream media was considered to be ineffective in reaching certain cohorts of potential irregular immigrants, and non-mainstream communications activities were adopted. Departmental records indicate that these included:

- undertaking community outreach and liaison activities in Pakistan, Afghanistan and Iran;
- disseminating over 100 000 storybooks in Afghanistan and Pakistan;
- distributing leaflets in Malaysia, Indonesia, Thailand and Sri Lanka;
- placing posters in shops where migrants congregated in Indonesia;
- using billboards and motorcycle taxi advertisements in Sri Lanka, Pakistan and Vietnam;
- using street theatre in India, Bangladesh and Vietnam; and
- producing a 90 minute telemovie *Journey*; broadcast in Iran, Iraq, Afghanistan and Pakistan in early 2016.

Figure 5.2: Pamphlet for Sri Lanka campaign—*Don't throw your money in the water*



Source: DIBP.

Documenting expenditure decisions

5.23 The JATF established an appropriate process for documenting offshore campaign expenditure decisions, and engaging providers. Briefs to the delegate were comprehensive. Contracts adequately described the services, reporting requirements, timeframes and fees. With the exception of activities organised in August and September 2013 (see paragraph 5.12), a period before offshore communications became the responsibility of the JATF, the usual order of expenditure approval, contracting and service delivery was generally observed.⁵⁵

5.24 The department advised the ANAO that there are a limited number of capable communications suppliers able to reach potential irregular immigrants, and that establishing productive working relationships with these suppliers benefits from longer term engagement and development. The bulk of the offshore communications and research activities were delivered by a relatively small number of providers, who were engaged following a limited competitive selection process.⁵⁶ Online advertising was procured through the Australian Government's Master Media Agency.

55 In October 2013 and January 2014 there were also contract variations which were approved after the commencement of the relevant services.

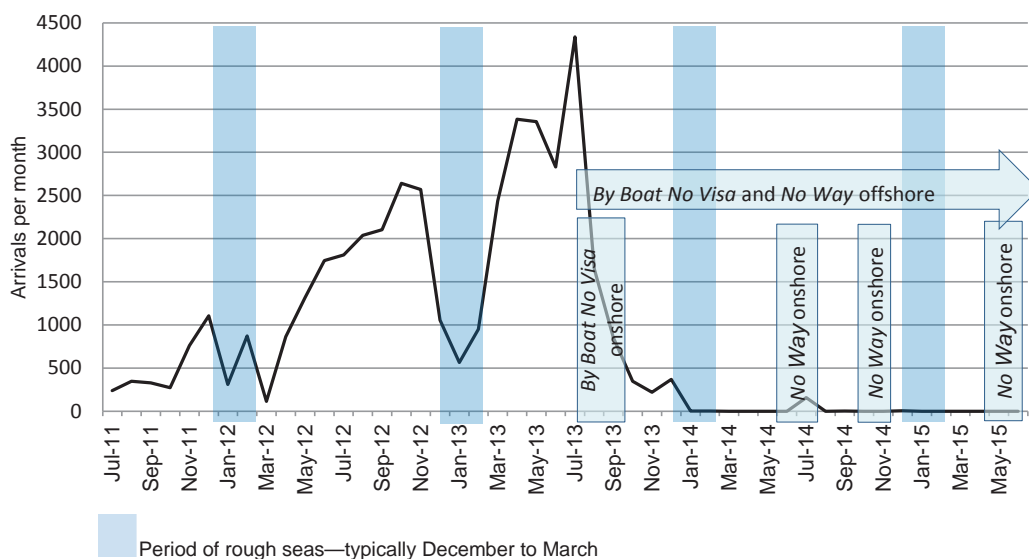
56 To address the risk of being overly reliant on a small number of offshore providers, in late 2014 JATF began a process to identify potential suppliers for each of the target markets. The supplier list enabled the department to source a new provider for media placement in Pakistan, Afghanistan and Iran in 2015. At the time of audit fieldwork, JATF continued to mainly rely on a single research provider, although other providers had been engaged for pilot projects.

Were the campaigns evaluated to determine their effectiveness?

Evaluations were conducted for both onshore and offshore campaigns. Onshore, awareness of Australia’s policy on asylum seekers that arrive by boat, including those that professed to know something about the policy, remained reasonably constant at around 70 per cent, although confidence in the specific details of the policy softened over time. Almost half of those that had been in Australia less than five years had spoken to friends or family overseas about Australia’s migration policy. Offshore, surveys showed moderate to high awareness of Australian asylum seeker policy in regions with high numbers of potential illegal immigrants. The research also informed the department’s understanding of a range of issues relevant to irregular migration and assessed the quality of the services provided by communications contractors.

5.25 DIBP data indicates that the numbers of irregular maritime arrivals fell rapidly over several months, from their peak in July 2013 (see Figure 5.3).⁵⁷

Figure 5.3: Arrivals by boat without a visa



Source: DIBP.

5.26 DIBP advised the ANAO that notwithstanding the reduction, asylum seekers in transit countries adopted a wait-and-see approach, and people smugglers continued to actively promote their services in source countries. The department further advised the ANAO that people smugglers interpret any gap in campaign messaging or political changes in Australia as marketing opportunities for their services. Surveys in source countries indicated that while awareness of Australia’s migration policy has increased, the underlying demand for irregular migration to Australia remained strong. Departmental research on migrant decision making in 2014 estimated that 27 per cent of Rohingya households in Bangladesh, 17 per cent of Hazara households in

⁵⁷ The Australian Government’s response to irregular maritime arrivals included the interception of boats, tow-backs and advertising.

Afghanistan and 8 per cent of Hazara households in Pakistan had been approached by people smugglers. The department advised the ANAO that these considerations led it to consider that a significant and sustained communication campaign was necessary to support the implementation of border protection policies.⁵⁸

Onshore evaluation

By Boat, No Visa

5.27 The impact of the onshore *By Boat, No Visa* campaign was evaluated by survey. Over half the respondents had seen or heard the advertisements. For those that recalled the advertisements, the main messages were: ‘come by boat and you won’t be able to settle in Australia’ (43 per cent) and ‘do not come by boat’ (27 per cent). Overall, English-only respondents (general public) were marginally more likely to be aware of the campaign, agree with campaign statements, and be aware of asylum seeker policy. The survey found that 75 per cent of diaspora community respondents and 82 per cent of English-only respondents were aware that the policy had recently changed, or knew something about it.

5.28 An objective of the campaign was to tell family and friends offshore—25 per cent of respondents had spoken to family or friends back home about the asylum seeker policy changes. This was closer to 50 per cent for those that had lived in Australia less than five years.

No Way

5.29 Evaluation of the first phase of the *No Way* campaign indicated that over 40 per cent of respondents had seen or heard the advertisements. Campaign awareness fell to 30 per cent by the third phase of the campaign. As with the earlier campaign, the main features of the advertisement recalled over the three phases of the campaign were: ‘come by boat and you won’t be able to settle in Australia’ (40 per cent for phase 1, reducing to 28 per cent for phase 3) and ‘don’t come by boat’ (24 per cent, reducing to 13 per cent).

5.30 Awareness of Australia’s policy on asylum seekers coming by boat softened over time, with a modest shift from the more confident ‘yes I am aware’ to ‘I know something about it’. Overall awareness—those that said they knew at least something about Australia’s asylum seeker by boat policy—remained consistent at around 70 per cent. Further research conducted in July and August 2015 suggested that people were aware of the key messages (such as ‘don’t come to Australia by boat’), but knew little of the detail of the policy. About 40 per cent of respondents said that they spoke to friends and relatives from their home country about Australia’s asylum seeker policies. Nearly 50 per cent of respondents that had lived in Australia for less than five years said they had done so.

58 A further \$39.9 million has been committed to anti-people smuggling strategic communications campaigns over the four years to 2018–19.

Offshore evaluation

5.31 To understand the target audience and to test the effectiveness of the campaign strategy, quantitative research was commissioned in the main source countries—Afghanistan, Pakistan and Sri Lanka—and the emerging source country of Bangladesh. Due to the absence of host government support, evaluation in Iran was not undertaken. Other sources informing the assessment of campaign effectiveness and hence campaign planning were intelligence, interviews of attempted boat arrivals, and communications provider reporting.

Pakistan, Afghanistan and Iran

5.32 Iranians were the largest cohort of boat arrivals in 2013. Over the four years to 2013, Hazara people from Afghanistan and Pakistan dominated arrivals. Over the period of the audit, most communications services in Pakistan, Afghanistan and Iran were delivered by a single provider. This was the largest of the communications contracts for the campaign. A review of the effectiveness of the services in Pakistan and Afghanistan was commissioned by DIBP in late 2014.⁵⁹ The evaluation was broadly positive. It included evaluation of the reports provided by the contractor, the role and effectiveness of community, media and online liaison officers, the reliability of surveys conducted by the provider and the targeting and effectiveness of campaign advertising. The evaluation found that around half the respondents in Afghanistan had seen the television advertisements, and about five per cent heard the radio advertisements. Very few people had seen the story books. Believability was high.⁶⁰ In response to feedback on the media accessed by target audiences, JATF placed advertising on cable and satellite television.

5.33 Campaign effectiveness was evaluated in Pakistan in June 2015 (sample of 3000). Awareness was found to be strongest amongst the Hazaras in Quetta and Afghan refugees in Peshawar; cohorts with high numbers of potential asylum seekers. Campaign awareness was negligible in the cities where there was a lower advertising spend and relatively few people intended to seek asylum.

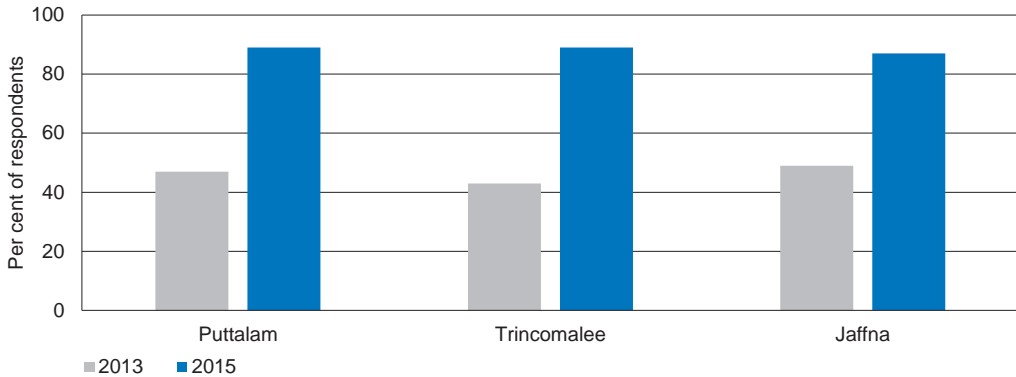
Sri Lanka

5.34 Sri Lanka had also been a major source country for boat arrivals in the years to 2013. Research into campaigns to deter irregular migration was conducted in April to June 2013. A further survey was undertaken in June 2015, focusing on the districts with the strongest irregular migration activity. In Sri Lanka, the number of people wanting to seek asylum fell between 2013 and 2015. Awareness of the campaign was found to be very high (see Figure 5.4).

59 A mixed method approach was used, including 4400 surveys across four provinces, desk review, interviews and focus groups with key stakeholders and community members.

60 JATF informed the ANAO that survey results for Pakistan were compromised by language difficulties.

Figure 5.4: Campaign awareness in Sri Lanka



Source: DIBP.

Bangladesh, Thailand, Malaysia, Indonesia and Vietnam

5.35 Communications expenditure in Bangladesh was relatively modest; less than \$100 000 over the audit period. A survey conducted in September 2014 found that the desire to seek asylum was fairly common amongst the Rohingya people—21 per cent of Rohingya households in Bangladesh had at least one household member who had previously attempted asylum, and 26 per cent of households had at least one household member who was planning to seek asylum. Around 37 per cent of Rohingya surveyed knew that if they got on a boat without a visa they would not end up in Australia.⁶¹ Almost none of the surveyed Rohingya accessed television, newspaper or the internet—family and friends were their main source of information.

5.36 Independent evaluative research has not been conducted in Thailand, Malaysia, Indonesia or Vietnam. The communications provider in Indonesia interviews potential irregular immigrants, often in focus groups, and reports on the push and pull factors influencing migrant decision making as well as awareness of Australian Government migration policy and boat pushbacks.

Grant Hehir

Grant Hehir
Auditor-General

Canberra ACT
19 October 2016

⁶¹ The survey indicated that less than 10 per cent believed inaccurate messages such as ‘people of my ethnicity will automatically be given asylum in Australia’.

Appendices

Appendix 1 Entity responses

Department of Finance



Australian Government Department of Finance

Jane Halton AO PSM
Secretary

Our Ref: SEC0013694

Mr Grant Hehir
Auditor General
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Hehir

I refer to your email of 27 July 2016 to my office, seeking the Department of Finance's (Finance) comments in relation to the proposed audit report, *Government advertising: March 2013 to June 2015*, which were initially provided on 23 August 2016.

At the request of your office, I am resubmitting Finance's final comments on the proposed report, noting that the report has now progressed to finalisation for publication. I note that more detailed feedback, including a number of editorial matters and proposed corrections for your consideration in finalising the audit report, were also provided in August 2016.

The Department's response is provided in two parts:

1. a formal comment on the single audit recommendation directed at Finance; and
2. a letter of reply.

Finance notes that the audit objectives included assessing the effectiveness of the ongoing administration of the campaign advertising framework, and assessing the effectiveness of entities in developing campaigns and applying the requirements of the campaign framework. Finance's view is that the sole audit recommendation, along with a number of comments in the report, tend to be reflections on policy decisions taken by the Government, as distinct to matters that are administered either by Finance or the entities undertaking campaigns.

Formal comment on the audit recommendation:

Recommendation No. 1 *That the Independent Communications Committee's terms of reference be amended to provide the committee with the discretion to review advertising campaigns at any stage of development.*

Finance response: The Department of Finance (Finance) notes that the governance of campaign advertising, including the terms of reference set for the Independent Communications Committee, is a matter for the Government.

Letter of reply:

The Department of Finance (Finance) notes the ANAO's audit report on Government advertising: March 2013 to June 2015.

The Government sets the governance arrangements for campaign advertising which are administered by Finance. The recommendation to amend the terms of reference of the Independent Communications Committee (ICC) is not a matter of administration, but is instead a policy matter for Government.

Should you have any queries or wish to discuss any of the feedback provided, please contact Ms Linda Powell, First Assistant Secretary, Governance and Public Management, on 6215 3310 or linda.powell@finance.gov.au.

Yours sincerely



Jane Halton
Secretary

8 September 2016

Department of the Treasury



Australian Government

The Treasury

John A. Fraser
Secretary

9 August 2016

Mr Grant Hehir
Auditor General
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Hehir

Proposed Report on Government Advertising: March 2013 to June 2015

This letter is provided in relation to your review of the Intergenerational Report 2015 (IGR) advertising campaign and its compliance with the *Guidelines on Information and Advertising campaigns by non-corporate Commonwealth entities (Guidelines)*.

As per the Guidelines, following regular review through both the Service Delivery and Coordination Committee (SDCC) and the Independent Communications Committee (ICC), it is my responsibility to take their advice and certify the campaign complies with the Guidelines before leaving ultimate approval of the campaign launch to the relevant Minister.

Your report identified and detailed shortcomings in *undertaking the campaign in an efficient and effective manner; and compliance with procurement policies and procedures*. Following a review of the extract provided, my department has identified three key themes and provides the following formal response.

Campaign planning

As SDCC is the key decision maker in the development of government advertising campaigns, my department acted in accordance with the decisions made by the committee following their regular review of campaign materials. The SDCC decision to not proceed with part of the campaign after it had been developed was a decision of Government that was implemented by my department, incurring costs for completed production work.

Langton Crescent, PARKES ACT 2600 • Telephone: 61 2 6263 3738 • Facsimile: 61 2 6263 3360

The result of this decision was outside the control of my department and could not have been prevented by more rigorous campaign planning or design. Further to this, it is my understanding that the scope of this audit is the administration of the government advertising framework and how government decisions are actioned by departments, not on the decisions taken by government.

Your report also makes note of a comparison between the media buy of the IGR campaign and the Department of Defence recruitment campaign. The IGR campaign had little in common with a targeted defence recruitment campaign and had distinctly different objectives, audiences and messages. I do not think it is best practice for the Department of Finance to compare unrelated campaigns when providing advice, nor is it a relevant inclusion in your report.

Procurement

Following the release of the revised Guidelines in late 2014, the full extent of the SDCC's role and its interaction with departmental procurement procedures lacked clarity and explanation. The role of the committee in government advertising was not fully explained to departments by the Cabinet Secretariat and Department of Finance until July 2015. I note that the extent of the SDCC's role is also not reflected, at least in the extracts of the report with which we have been provided. I consider that all departments would benefit from a clearer explanation of the role of the SDCC, both in your report and perhaps on the Department of Finance website, so that we can better understand responsibilities and reporting requirements.

The work my department undertakes for its Ministers is often of a highly confidential nature, and the development of an advertising campaign is no different. Campaign details remain Cabinet in Confidence until the campaign is officially launched by the relevant Minister, and therefore the department would not publish any details of a proposed campaign on AusTender that could be detrimental to the confidentiality of government decision making or the ultimate success of the campaign.

Your report questions the process taken by my department to list the campaign contracts on AusTender. My department has previously provided advice to your officers as part of this process on how contract variations are tracked in our AusTender listings and how we identify connections between contracts. Given this is the standard practice for all procurement reporting in Treasury, I do not think this warrants particular mention in your report.

Evaluation

As noted in your report, the IGR campaign strategy did not include specific measures against our campaign objectives. Our objectives however were clear about the intentions for both phases of the campaign and we evaluated against these.

I would welcome the inclusion of specific targets to measure campaign effectiveness across all government communication strategies. In implementing campaigns, departments come under great scrutiny to justify and evaluate campaign effectiveness with little understanding of how these judgements are made. In being able to effectively evaluate campaign effectiveness and value for

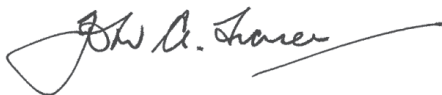
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money, more robust work needs to be done around the evaluation of government campaigns. Currently, there is no government owned instrument or guidance on how government advertising campaigns are evaluated by independent or government committees, which leaves departments at the mercy of subjective interpretation.

Additional comments of an editorial nature have been provided to your officers for consideration and would appreciate the ANAO's consideration of our response when finalising the report.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read "John A. Thayer". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Department of Education and Training



Australian Government
Department of Education and Training

Secretary
Dr Michele Bruniges AM

Mr Tom Ioannou
Group Executive Director
Performance Audit Services Group
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Ioannou

Performance audit: Government Advertising: March 2013 to June 2015

Thank you for your email of 27 July 2016 seeking a response to the proposed audit report on the Government Advertising: March 2013 to June 2015.

The department's formal response to the report is provided at Attachment A and editorial comments provided at Attachment B.

If you would like further information on the department's response, please contact Mr Dom English, Group Manager, Higher Education Group on (02) 6240 2689.

Yours sincerely

A handwritten signature in cursive script that reads "Michele Bruniges".

Dr Michele Bruniges
23 August 2016

Opportunity through learning

50 Marcus Clarke Street, Canberra ACT 2601
GPO Box 9880, Canberra ACT 2601 | Phone (02) 6121 6000

Department of Immigration and Border Protection



Australian Government
Department of Immigration
and Border Protection

Dr Tom Ioannou
Group Executive Director
Performance Audit Services Group
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Dear Dr Ioannou

Thank you for your email to the Secretary and the opportunity to provide comments on the proposed audit report on the *Administration of Government Advertising Arrangements: March 2013 to June 2015*, as they relate to anti-people smuggling communication campaigns.

The Department of Immigration and Border Protection acknowledges the report and notes that there were no recommendations provided for the Department to consider.

Our summary response to be included in the report is at Appendix 1.

I would like to thank the Australian National Audit Office for the co-operative and professional manner they have adopted in working with us on this audit.

If you would like further information on this matter, please contact Brooke Sawyer, Director Communication Joint Agency Task Force, Operation Sovereign Borders on (02) 6275 6669.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Whitfield'.

David Whitfield
A/g Chief Audit Executive

24 August 2016

Appendix 2 Amounts paid to communications suppliers, from 2012–13 to 2014–15

Table A.1: 'Top ten' campaign advertising suppliers, 2012–13 to 2014–15

2012-13		2013-14		2014-15	
Supplier name, no. of contracts	Paid (\$, mill)	Supplier name, no. of contracts	Paid (\$, mill)	Supplier name, no. of contracts	Paid (\$, mill)
George Patterson Y&R, 3 contracts	15.2	George Patterson Y&R Pty Ltd, 2 contracts	9.3	Havas Worldwide Australia, 1 contract	14.6
BCM Partnership, 5 contracts	3.2	Big N (n2n) , 2 contracts	3.9	303Lowe, 2 contracts	6.3
ORIMA Research Pty Ltd, 6 contracts	2.8	ORIMA Research Pty Ltd, 5 contracts	2.2	BCM Partnership, 2 contracts	3.6
Big N (n2n), 2 contracts	2.8	BMF Advertising, 4 contracts	2.0	Hall & Partners Open Mind, 4 contracts	2.8
McCann, 1 contract	2.6	Cultural Perspectives, 4 contracts	1.3	Newgate Communications, 1 contract	2.6
BMF Advertising, 4 contracts	2.3	Hall & Partners Open Mind, 5 contracts	1.1	Big N (n2n), 1 contract	2.2
GfK Australia, 8 contracts	2.1	GfK Australia Pty Ltd, 3 contracts	0.8	Belgiovane Williams Mackay, 1 contract	1.6
Taylor Nelson Sofres Australia, 6 contracts	2.0	Haystac Public Affairs, 4 contracts	0.7	ORIMA Research, 4 contracts	1.1
Hall & Partners Open Mind, 6 contracts	1.8	Taylor Nelson Sofres, 5 contracts	0.7	DBM Consultants, 1 contract	0.9
Haystac Public Affairs, 5 contracts	1.2	303Lowe, 3 contracts	0.6	UrsaClemenger, 2 contracts	0.8

Note: In relation to the number of contracts for each supplier, some contracts are counted twice, where those contracts have continued across multiple financial years. The supplier paid the highest amount in each financial year is the advertising agency selected by Defence for its recruitment campaigns—which are typically the largest conducted by the Australian Government each year.

Source: ANAO, collated from information in Finance's campaign advertising reports.