



Auditor-General for Australia



18 July 2011

Ms Christine McDonald
Secretary
Senate Standing Committee on Finance and Public Administration
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms McDonald

Thank you for your letter of 8 July 2011 inviting a submission to the Committee's inquiry into the Government Advertising (Accountability) Bill 2011.

Government advertising and the public funds devoted to it have attracted attention in the Parliament and community for a long time. Audit reports in past years have highlighted issues in the administration of advertising campaigns which have proved problematic, including issues concerned with the responsibilities for decision making, the requirement to obtain the best value for money from the expenditure of public funds, the nature of campaigns, the spread of expenditure over the electoral cycle and the methods of allocating contracts.¹

The Guidelines on Campaign Advertising by Australian Government Departments and Agencies, issued in June 2008, and *The Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* (the 2010 Guidelines), issued in March 2010, tightened the administration of government advertising and sought to circumscribe the uses of advertising to those '*...policies or programs underpinned by legislative authority, appropriation of the Parliament, or a Cabinet Decision which is intended to be implemented during the current Parliament...*'. The 2010 Guidelines, however, did provide some additional latitude for the legitimate uses of public funds, including, amongst other things, '*...to encourage informed consideration of issues or to change behaviour.*'

The approach set out in the Government Advertising (Accountability) Bill 2011 would require that advertising of a government policy only occur if the policy has been enacted in legislation, or has been subject to a resolution passed by both Houses of Parliament, or in the event of a national emergency with the consent of the Leader of the Opposition. Relative to the current approach, the Bill envisages a greater role for the Parliament in permitting public funds to be used for government advertising.

¹ See, for example, ANAO Audit Report No.24 2008-09, *The Administration of Contracting Arrangements in relation to Government Advertising to November 2007*.

The coverage of the Bill would also potentially extend the proposed scrutiny to all advertising campaigns. The current arrangements only require information and advertising campaigns to be subject to scrutiny by the Independent Communications Committee where they exceed \$250 000.

To operationalise the proposed legislation would also require consideration of legislative amendments or supplementary guidance to provide, for example, exclusions for the business as usual functions of agencies, which could potentially include recruitment advertising, use of websites, public notices or other exemptions.

It may also be useful to specify the reporting requirements expected for the range of campaigns undertaken and the associated costs incurred, to provide a transparent regime surrounding the use of public money for government advertising purposes. Alternatively, this could be achieved through administrative policies, as presently occurs.

We appreciate that this legislation is a matter for the consideration of the Parliament. However, my office would be pleased to provide any further assistance required for the Committee's inquiry.

Yours sincerely

Ian McPhee
Auditor-General