

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

5 June 2013

**Question:** BET 1002-1005

**Topic:** Advertising (ATO)

**Written**

**Senator BUSHBY asked:**

1002. What was the total cost of all advertising for the financial year to date?

1003. Is the advertising campaign or non-campaign advertising? Provide details of each advertising campaign, including the program the advertising was for, the total spend and the business that provided the advertising services.

- a. Has the Department of Finance and Deregulation provided any advice about the advertising? Provide details of each advertising item.
- b. Has the Peer Review Group (PRG) and/or Independent Communications Committee (ICC) provided any advice about the advertising? Provide details of each advertising item.
- c. Did the advertising comply with the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies? Provide the details for each advertising item.

1004. Provide details for any other communications programs, including details of each program, the total spend and the business that provided the communication services.

1005. What advertising (campaign and non-campaign) and other communications programs is the department/agency undertaking, or planning to undertake?

*\*Financial year to date – 31 May 2013*

**Answer:**

1002. The ATO has spent \$10,076,797 (GST exclusive) on advertising placement expenditure in 2012-13 to 31 May 2013.

1003.

Advertising description	Cost \$ (GST exclusive) <sup>1</sup>	Provider of advertising services
<b>Campaign advertising</b>		
<b>Tax Time 2012 (phase 2):</b> a campaign to remind individuals to prepare and lodge their tax returns by the 31 October deadline.	98,742	Universal McCann
<b>Superannuation guarantee regional strategy:</b> a campaign piloted in selected regional areas to raise awareness and encourage use of the super guarantee calculator and tools available on the ATO website.	22,207	Universal McCann
<b>GST voluntary compliance program:</b> a campaign phased across four years to support the GST voluntary compliance program and, in particular, to encourage timely lodgment and payment.	267,643	Universal McCann

<sup>1</sup> Figures have been rounded to the nearest dollar.

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<b>Minerals and petroleum resource rent taxes:</b> a campaign to inform relevant mining and petroleum businesses/companies of their obligations under the new resource rent tax arrangements that came into effect on 1 July 2012.	21,287	Universal McCann
<b>Cash economy:</b> a campaign to raise awareness among non-English speaking background audiences about the importance of reporting income to the ATO to maintain fairness.	3,351	Universal McCann
<b>Tax Help recruitment:</b> a campaign to encourage people in identified non-English speaking background communities to become Tax Help program volunteers.	3,813	Universal McCann
<b>Increasing online lodgment:</b> a campaign to encourage micro businesses to report and lodge online with the ATO.	25,000	Universal McCann
<b>Small business benchmarks:</b> a campaign to raise awareness amongst small businesses of the small business benchmarks and promote their use.	9,381	Universal McCann
<b>Super. Your money, your future:</b> a campaign to inform individuals and businesses about a range of super reforms.	8,933,047	Universal McCann
<b>Aggressive tax planning:</b> a campaign to raise awareness of how to recognise, reject and report tax avoidance schemes.	30,234	Universal McCann
<b>Taxable payments reporting:</b> a campaign to support the new taxable payments reporting system requiring businesses in the building and construction industry to report on payments made to contractors for providing building and construction services from 1 July 2012.	71,590	Universal McCann
<b>Property page promotion</b> a campaign to raise awareness and increase use of the ATO's property page on ato.gov.au.	8,571	Universal McCann
<b>Tax, super + you competition:</b> a campaign to encourage secondary school teachers to use the ATO's <i>Tax super + you</i> educational online resource and enter the competition designed to encourage interest in the resource.	780	Universal McCann
<b>Sub-total</b>	<b>9,495,646</b>	
<b>Non-campaign advertising</b>		
Legal services public notices	29,222	Adcorp
Recruitment	58,948	Adcorp
Business as usual <sup>2</sup>	1,844	Adcorp
Unadministered estate public notices <sup>3</sup>	1,827	Fairfax Media Publications Pty Ltd
White Pages	489,310	Sensis Pty Ltd
<b>Sub-total</b>	<b>581,151</b>	
<b>TOTAL</b>	<b>10,076,797</b>	

<sup>2</sup> Advertising that appeared only once or twice, for example, relocation of ATO offices/shopfronts or other public notices

<sup>3</sup> Notices pursuant to the requirements of section 260-145 of Schedule 1 of the Taxation Administration Act.

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5 June 2013

- a. In 2012-13 to 31 May 2013, the Department of Finance and Deregulation agreed to classify the following as operational advertising campaigns:

- Tax Time 2012
- GST voluntary compliance program
- Taxable payments reporting system
- Small business benchmarks.

The ATO did not seek advice from the Department of Finance and Deregulation on advertising below the \$250,000 threshold.

A representative from the Department of Finance and Deregulation participated as a member of the evaluation panel assessing the creative services tender for the 'Super. Your money, your future' campaign. The Department of Finance and Deregulation provided advice throughout the campaign's development in the context of the Australian Government advertising framework.

The Department of Finance and Deregulation also provided advice about two breaches of the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies*. Refer to BET 1003c for more detail.

- b. The 'Super. Your money, your future' campaign was reviewed against the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* (the Guidelines) by the Independent Communications Committee (ICC) on 7, 19 and 21 March, 4 April, 3 May, and 13 June 2013. No impediments to full compliance with the Guidelines were identified in the final materials.

The 'Super. Your money, your future' campaign was reviewed by the Peer Review Group on 4 March 2013 in order to provide best practice communications advice on the campaign's development.

All other campaign advertising was either below the \$250,000 threshold or was classified as an operational advertising campaign.

- c. No. The Department of Finance and Deregulation advised that two unadministered estate public notice advertisements placed during the period should be recorded as in breach of the Government's policy *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies*, because:

- the advertisements were not placed through the non-campaign master media agency
- the advertisements were not branded with an Australian Taxation Office logo, and
- there were no contact details listed in the advertisements.

After being notified by the Department of Finance and Deregulation of the breach, in March 2013, the ATO took immediate action to ensure all future advertising is fully compliant with the mandatory government advertising requirements.

All other advertising undertaken has complied with the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies*.

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5 June 2013

1004. See BET 1003.

1005. The following table shows planned campaign advertising placement expenditure from 1 June 2013 onwards for communication programs the ATO is undertaking or planning to undertake. These figures are estimates because:

- for many programs, an overall communication budget is anticipated but not confirmed
- advertising is anticipated but not confirmed, and
- advertising placement expenditure is finalised after other communication costs, including production and research, have been finalised and a media rationale and plan has been finalised.

The ATO does not have any non-campaign advertising planned.

#### CAMPAIGN ADVERTISING

Program name	Forecast year range	Expenditure \$ (GST exclusive) <sup>1</sup>
Taxable payments reporting system	2012-13 to 2014-15	204,399
Super. Your money, your future	2012-13 to 2015-16	6,992,000
Tax Time 2013 (phase 1 and digital magazine)	2012-13	221,900
Small business benchmarks	2012-13	2,006
Income Tax Return Integrity (Pre-issue Compliance)	2013-14 to 2014-15	164,000
Goods and services tax (GST) voluntary compliance program <sup>2</sup>	2012-13 to 2013-14	359,140
Project Wickenby <sup>3</sup>	2013-14 to 2014-15	386,364
Aggressive tax planning <sup>4</sup>	2012-13 to 2016-17	424,311
Super guarantee in high risk industries	2014-15	36,000
Property page promotion	2012-13	15,358
Access and diversity	2012-13	77,000
<i>Tax, Super + You</i> competition	2012-13 to 2013-14	1,071
<b>Total (2012-13<sup>5</sup> → 2016-17 budgets)</b>		<b>8,883,549</b>

<sup>1</sup> Figures have been rounded to the nearest dollar.

<sup>2</sup> This program will continue until 2015-16, however, campaign advertising expenditure has not been confirmed past June 2014.

<sup>3</sup> Funding has been provided for the period 2012-13 to 2014-15, however in 2012-13, funds are being expended on research only, so the forecast year range in this table does not include 2012-13. Paid advertising placement is anticipated from 2013-14 to 2014-15.

<sup>4</sup> In October 2012, a new measure was announced by Government to protect the community from domestic promoters of tax avoidance and evasion schemes. A budget of \$90,909 (GST exclusive) for marketing communication tactics is to be provided for each of the four years commencing 2013-14. This budget is to provide early warnings to the general community about schemes detected. This is in addition to a budget allocation of \$90,909 for a planned media buy in 2012-13.

<sup>5</sup> The 2012-13 figures only include those costs yet to be expended. They do not include costs reported in response to question BET 1003.