



**Australian Government**

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**The Treasury**

## **Tax Reform**

# **Campaign Strategy**

**April 2010**

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# Contents

|     |                                      |    |
|-----|--------------------------------------|----|
| 1.  | Introduction.....                    | 3  |
| 2.  | Background.....                      | 3  |
| 3.  | Need for communication.....          | 4  |
| 4.  | Previous communication activity..... | 6  |
| 5.  | Key issues/considerations .....      | 7  |
| 6.  | Programme aim.....                   | 8  |
| 7.  | Target audiences .....               | 8  |
| 8.  | Communication objectives .....       | 9  |
| 9.  | Key messages.....                    | 9  |
| 10. | Role of consultants .....            | 14 |
| 11. | Research and evaluation .....        | 14 |
| 12. | Project management .....             | 14 |
| 13. | Budget .....                         | 15 |
| 14. | Timeline.....                        | 15 |

## 1. INTRODUCTION

The Tax Reform campaign strategy is being developed to support the Australian Government's planned tax reforms expected to be announced on [xx May 2010]

This campaign strategy has been prepared for presentation to the Independent Communications Committee (ICC) following consultation with the Treasurer's office.

It also takes account of developmental research conducted in April 2010 by Open Mind Research Group.

## 2. BACKGROUND

The Australia's Future Tax System (AFTS) Review was established by the Australian Government in 2008 to examine Australia's tax and transfer system, including state taxes, and make recommendations to position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century.

The review encompassed Australian Government and State taxes (except the Goods and Services Tax) and interactions with the transfer system, and considered:

- the balance of taxation on returns from work, investment and consumption and the role for environmental taxes;
- improvements to the tax and transfer system for individuals, families and retirees
- the taxation of savings, assets and investments, including the role and structure of company taxation;
- the taxation of consumption and property and other state taxes;
- simplifying the tax system, including the interactions between federal, state and local government taxes, and
- interrelationships between the elements of the tax system, as well as the proposed emission trading system.

In late December 2009, the findings of the AFTS review were handed to the Australian Government for consideration.

In May 2010, the Australian Government will announce a tax reform agenda encompassing a number of measures to be implemented in the short to medium-term. These are likely to include:

- resource super profits tax (commencing 2012-13);
- company tax cut to xx per cent in 2013-14 and xx per cent in 2014-15;
- small business \$xx instant write-off from 2012-13;
- changes to superannuation, including:
  - extension of the superannuation cap for over 50s with balances below \$xxx from 2012-13
  - a refund of 15 per cent contributions tax for people earning below \$37,000 from 2012-13
  - an increased superannuation guarantee to xx per cent (from 2013-14); and
- personal tax: the introduction of an optional \$xx standard deduction from 2013-14.

In addition, the government will encourage community debate on possible future changes, particularly in relation to personal tax.

Note that these measures are currently under consideration by Government as at 19/04/10. While the final package of measures and their scale is likely to vary from the list above, developmental research has indicated that the communications objectives and messaging remains unchanged.

### 3. NEED FOR COMMUNICATION

A communication strategy to support tax reform is essential to ensure:

- a high level of community and business awareness, understanding and knowledge of Australia's tax, superannuation and transfer systems;
- community understanding of the economic and social drivers underpinning the need for tax reform;
- the community and business are aware of the Australian Government's reforms to Australia's tax and transfer system, including the superannuation system and their impact on both individuals and the Australian economy;
- community access to information sources that audiences use and rely on to manage or understand their benefits, entitlements and obligations under Australia's tax and transfer system; and
- ongoing stakeholder and community engagement in the reform dialogue.

The developmental research conducted by Open Mind Research Group (see following section for details) strongly supports the need for communication.

### 4. DEVELOPMENTAL RESEARCH

Open Mind Research Group conducted developmental communications research during April 2010 to inform the need for communications and the development of this strategy, and identify any barriers or motivators to communicate potential reforms to Australia's tax and transfer system, including superannuation.

Given the research was conducted before the final decision on the full package of measures, the study focussed on issues that the media had canvassed. The Treasurer has indicated previously his intention to announce before Budget 2010 a package of measures for implementation in the short term and to encourage ongoing community discussion and debate on future tax reform.

High-level findings from the developmental research are categorised to support measures expected to be announced in the short term and also longer term communications and community engagement on tax reform:

*Specific reforms- (measures intended to be implemented in the short term)*

- **Increased revenue from our natural resources (resource super profits tax)** – People have little general understanding of how natural resources are currently taxed. However, once the proposed resource super profits tax is explained clearly and simply, the overwhelming response to this tax is highly positive, with people understanding that this makes more funding available for hospitals, aged care and infrastructure.
- **A competitive business tax system (lower company tax rate)** – The idea of being 'globally competitive' can imply trying to compete with India and China - and lowering our standard of living. Discussion about being globally competitive needs to be qualified to refer to 'smart industries' or 'new industries'. However, all segments want to support small business and will applaud any government efforts to do so in the tax system.
- **A fairer superannuation system** – making superannuation fairer, would to most people, mean giving them certainty, in terms of regulation or feeling as though their retirement incomes would, in some way, be 'guaranteed'. A fairer system would also be one that 'rewarded' those who are trying to be self-funded, thus removing a significant burden on the system.
- **Simpler and more transparent/cutting red tape - (instant write off for assets worth less than \$5,000/standard work expense deduction)** - Simplification for small business means that it will be cheaper to comply with the tax system and fairer because 'the rich' won't be able to pay accountants to access loopholes. A benefit volunteered across the discussions was that a simpler system would also be fairer because it would encourage more people to try to understand their own financial situation, rather than relying on outside agents or bookkeepers. There was a strong sense that the complexity of the system serves to exclude everyday people.

- **Increased productivity** – while the term productivity makes sense to some small business people, and to accountants, for a general audience, it is better to talk about increasing opportunities to better convey the sense that everyone gains.

#### *Communications and community engagement (and possible future reforms)*

- **Communications and awareness** - across all target audiences, a key finding is that the general population wants to be engaged and involved in the process of tax reform. So, giving people the basic tools to engage with the topic of taxation emerged as the most important rationale for communicating reform of the tax system. Once people understood the relevance to their lives and to their children's lives, they no longer associated the word 'tax' with something from which they have been excluded. Importantly, they saw it as their right to be invited to participate in the conversation.
- **Simplification of personal tax** – making the tax system simpler is an obvious benefit that no-one disagrees with; however, despite a positive response to this, few actually believe this will be achieved. The exception were those who have submitted to the ATO online who did feel the system is easier but are concerned that the government not take over too much responsibility for their affairs. There was also a concern that not putting in a return means that they would get less money back, and possibly miss out on deductions.
- **Removing disincentives to work through changed tax arrangements (raising the tax-free threshold)** - this is a very popular idea, with no down side, including from/for those on government support. All audiences can see we need to do this, so more people are working and contributing taxes to pay for services in the future.
- **Reviewing Commonwealth and state taxes** – The general consensus across the nation is that centralising decision making (and accountability) is timely and sensible. People strongly supported the idea of 'streamlining' a 'messy' system with lots of competing levels of taxes (preferably, including unpopular ones like stamp duty and payroll taxes). This sounds more efficient and implies less bureaucratic waste and duplication.

#### **Segmentation**

For the purposes of communication on tax reform, three key audience segments need to be considered. These audiences are not defined demographically but by attitude. These groups are coalesced around their current levels of engagement with the tax system and confidence in relation to learning more about the tax system in the future.

- **The already engaged:** the already engaged are those who have the confidence and basic knowledge to follow the debate and seek out media discussion and government information and commentary. They are likely to deal with the tax system, whether in a professional capacity; they manage their own complex financial matters; or they merely have a higher than average interest in public affairs, and understand structurally how the system works.
- **Potentially engaged:** This describes the vast majority of those spoken to in the study. Currently, they are not confident in their ability to think about, or have an opinion on, the tax system. If things are let to stand, it is extremely unlikely that they would become engaged, in any serious way, with information or discussion surrounding tax reform. However, as the study has demonstrated, this is not through intrinsic lack of interest or intelligence. Establishing the big picture story of tax reform quickly engages this group – to the point where it is something of a revelation.
- **Disengaged and vulnerable:** this last group are those who, in some way, do not feel that they have any stake in the tax system. It is likely that they will require additional and specific engagement to the audiences outlined above.
- **NESB:** NESB audiences appear to have the same information needs as mainstream audiences. Like many people included in the study, this audience often didn't understand the tax system well, but would readily become engaged if they were given the bigger picture and understood the personal relevance of the issue. They need in-language materials that cover 'the basics' of the tax system as well as the proposed changes.

The quantitative component of the developmental research is still underway but may shed further light in terms of audience segmentation and profiling. This will be available to help fine-tune the media plan and the creative development process as the project progresses.

A more detailed report on the findings of the developmental research is at Attachment B.

## Previous research

As part of the developmental research project, Open Mind is also conducting a literature review to assist in identifying quantitative reinforcement of the findings of the qualitative developmental research. Previous research covered in the review includes a number of quantitative studies conducted by the Australian Taxation Office (ATO) and the Treasury on tax reform generally, superannuation, previous recent business and individual tax initiatives.

In addition, the ATO conducts a number of ongoing surveys with taxpayers, examining awareness and attitudes to compliance, tax administration and the ATO's reputation. These include:

- ***Business Perceptions Survey***

The Business Perceptions Survey is conducted with business operators. It captures the views of businesses across the micro and small to medium enterprise (SME) segments.

- ***Community Perceptions Survey***

The purpose of the Community Perceptions Survey is to capture trend data to monitor community perceptions of the ATO and its administration of the tax system.

- ***Non-English Speaking Background Communications Research***

The ATO commissioned the Non-English Speaking Background Communications Research to explore and understand communication preferences and tax information needs of key established and emerging NESB communities.

- ***Relationship with Intermediaries Research***

Historically, extensive research has been conducted with individual taxpayers, business taxpayers and intermediaries separately, with respect to their views, experiences and interactions with the ATO. However that research did not directly address the interaction and relationships between taxpayers and their intermediaries. This research does look at relationships between taxpayers and their intermediaries and may therefore provide some useful insights into the communications strategy – channels and intermediary influences - around tax reform.

Reports from this research, as well as numerous other research with target audiences and intermediaries, are available on the ATO website at:

<http://www.ato.gov.au/corporate/pathway.asp?pc=001/001/024>

## 5. PREVIOUS COMMUNICATION ACTIVITY

### ***Australia's Future Tax System (AFTS) consultation***

Since being established in 2008, the Review Panel has communicated many opportunities for people to make submissions and engaged with the community through public meetings and focus groups, meetings with representative business and community groups, discussions with other government departments and agencies, and through its tax-transfer policy conference held in June 2009.

A number of publications were released to support the consultation process, including:

- *Australia's Future Tax System - The Retirement Income System: Report on Strategic Issues*
- *Australia's Future Tax System - Consultation Paper*
- *Australia's Future Tax System - Retirement Income Consultation Paper*
- *Architecture of Australia's Tax and Transfer System*
- ten fact sheets.

The review also was communicated through a number releases to the media, and supported by its own Treasury-hosted website, [www.taxreview.treasury.gov.au](http://www.taxreview.treasury.gov.au).

#### **Tax reform announcement**

The Treasurer's announcement of the Australian Government's tax reform agenda in May 2010 will be supported by a package of collateral material. This includes:

- Media release and attachments
- Speech (release and keynote)
- An overview publication, and
- Fact sheets on each of the individual measures.

The announcement will be followed by a keynote address by the Treasurer to business leaders.

The findings of the Review will be tabled in Parliament by on a date yet to be confirmed. Copies of the review report will be available to the general public on the Treasury website, [www.taxreview.treasury.gov.au](http://www.taxreview.treasury.gov.au), or by calling a dedicated phone line.

A website will be established to ensure a high level of stakeholder and community engagement in the reform process. Announcement collateral material will be available at [URL]. Community consultation will be underpinned by further enhancement of the site in later phases that will allow for two-way discussion with the community about the package of reforms and their impact.

#### **Recent information campaigns delivered by the ATO**

The ATO has administered a number of information campaigns targeting taxpayers and business. These include campaigns to promote the following measures:

- Education Tax Refund
- Business Tax Break
- Tax Bonus
- Superannuation Simplification, and
- First Home Savers' Account

#### **Previous government's tax reform campaign advertising**

The previous government's 1998 *Taxation Reform Community Education and Information Programme (CEIP)* was aired to educate the community on the proposed new tax system which was to affect, among other things, personal income tax rates and thresholds, business tax, assistance for families, Commonwealth-State financial relations and the indirect tax system. The first stage of this campaign was run prior to the passage of legislation and posed similar communication challenges to those facing the Government today.

## **6. KEY ISSUES/CONSIDERATIONS**

Several key issues need to be taken into consideration to inform the development and implementation of this campaign.

#### **Policy changes**

The policy changes and the resulting impact on different target groups, and sub-groups within the broader categories, are complex and it is essential to clearly articulate these to those affected in the community.

A direct mail component of the campaign, targeting business, will alert business to changes which will affect the amount of tax they need to pay, as well as any changes to tax administration processes.

It is expected that campaign creative executions will include a tax reform infoline number and website URL through which people can find more information. This will generate a significant demand on the ATO call centres; however, Treasury and the ATO are working closely on strategies to ensure ATO's readiness to deal with the increased demand.

When the Government releases its tax reform agenda, Treasury will need to be prepared to follow this with supporting information in the media as soon as possible. It will be a major economic

announcement and will affect the share market. Treasury will need to provide information to the community early to ameliorate any concerns or confusion and any consequential detrimental affects on the market.

#### **Treasury publications**

Treasury produced a wide range of collateral material to support the release of the Government's tax reform agenda. In the lead up to the campaign, Treasury will review all of its existing publications to ensure they accurately reflect the announced tax reform initiatives and where appropriate, carry messages that are consistent with the campaign.

#### **ATO communications**

Because the policy changes associated with tax reform impact on the entire community, Treasury will continue to work closely with the ATO to ensure taxpayers and the community are directed to the appropriate source of information, prior to implementation of the legislation.

Following the passage of legislation on the Government's tax reform initiatives, the ATO will likely take responsibility for communications activity aimed at letting affected audiences know what they need to do. This will result in further iterations of this strategy needing to be developed to underpin the implementation of the reforms post-legislation.

#### **Tax professionals**

Regular communication and consultation with tax professionals is an ongoing part of the ATO's operations. However, activities aimed at educating and equipping tax agents prior to the implementation of the tax reform measures, particularly in relation to the simplification of the system for individuals and business, will need be increased in the lead up to implementation of the reforms.

In addition, broader messages about the tax reform measures and how they impact on tax agents, as well as taxpayers, will be distributed to agents on an ongoing basis through a range of existing communication channels. A public relations consultant will be engaged to assist with stakeholder relations and their assistance will be sought in carefully managing tax professional relationships as the new measures are implemented.

#### **Stakeholder and community consultations**

Strong consultation mechanisms will be established to ensure a high level of stakeholder and community engagement in the reform process. Community consultation will be underpinned by an interactive web site that will allow for two-way discussion with the community about the package of reforms and their impact.

While the initial announcement focuses on business tax reform, the Government intends to continue to look at other aspects of the system and any future changes will affect all Australians directly. Ongoing community engagement – via the web site and direct dialogue – will be important so that the community can continue to have their say about how our tax system should work and be able to support future generations.

## **7. PROGRAMME AIM**

Tax reform aims to address major issues facing the community relating to the ageing population, the shift in global economic power, pressures on the environment and changed community expectations created by new technology.

## **8. TARGET AUDIENCES**

#### ***Primary audiences:***

- general community; and
- all Australian businesses (especially small business).

#### ***Secondary audiences/key influencers:***



- **tax professionals** (including 26,000 registered tax agents), business and industry associations and other intermediaries that provide any type of tax or financial advice and assistance to businesses; and
- **tax academics.**

It is not proposed that the campaign would directly target these audiences, although it is highly likely that they would also be exposed to tax reform information and messages. Treasury intends to communicate with these audiences through business as usual, below the line activities.

### ***Special audiences***

Treasury is aware that there may be a need to tailor communications for special audiences:

- approximately 29 per cent of small businesses are operated by people born overseas, with a large proportion likely to be from a non-English speaking background. English proficiency varies greatly for this group;
- the proportion of Indigenous Australians who run their own business is 6 per cent (6,800 people), compared to 17 per cent for the non-Indigenous population; and
- the ABS reports that people with a disability are more likely than the general population to be self-employed. The most common disabilities affecting everyday life are mobility issues and loss of sight and/or hearing.

The developmental research conducted to date indicates that there are no clear 'cultural' barriers or motivators in relation to NESB audiences' ability to access and understand the campaign messages:

"On a whole, the non-English speaking background participants in this study appeared to have language rather than culturally-specific barriers in relation to understanding the tax system and tax reform. Like many others across the sample, they often do not understand the tax system well, and those who have migrated from other countries can be used to very different systems. Like others in the general sample life stage and employment situation shapes their view and understanding of the tax system. However, like others in the general community sample, they can become very engaged once are provided with the bigger picture and concrete ideas for the future. Providing in-language materials that cover 'the basics' of the tax system as well as the proposed changes (whether hard copy or on the website) would be of value for these audiences."

These audiences will be catered for through targeted NESB community media and the provision of translated materials.

### **Stakeholders**

Key stakeholders include:

- The Treasurer;
- Assistant Treasurer;
- ATO;
- State and Territory Governments;
- Department of Finance and Deregulation (Communications Advice Branch);
- Department of Resources, Energy and Tourism; and
- Mining companies, industry peaks and welfare groups.

## **9. COMMUNICATION OBJECTIVES**

At the highest level, the campaign seeks to assist all taxpayers to understand the Australian Government's tax reform agenda and how planned changes to the tax and superannuation systems will affect them and the Australian economy. It also seeks to ensure a high level of stakeholder and community engagement in the reform process.

Developmental research has assisted in refining these overarching campaign objectives: 'The objective of communications is three-fold: to disseminate an overview of the changes, to articulate the benefits of the reform, and to give Australians a reason to find out more.'

### Awareness and understanding objectives

- increase community **and business** understanding of Australia's taxation, superannuation and transfer system ("What are taxes for?/How does taxation work?")
- increase community **and business** awareness of the Australian Government's reforms and proposed reforms to the tax and transfer system, including the superannuation system ("Have you heard about X?")
- develop community and business understanding of the economic and social drivers underpinning the need for tax reform ("How will we manage future challenges?"/"How will we maintain our standard of living in the future?"/"Why do we need to change the tax system?")
- **develop community awareness of information sources** ("How would you find out about this?")

### Attitudinal objectives

- increase the community's **sense of 'ownership'** of the tax system and the reform process ("How relevant is this to you?")
- increase community **and business** confidence in their understanding of Australia's taxation, superannuation and transfer system ("How confident are you in your understanding of the X?")
- increase community confidence that tax reform is helping plan for Australia's future/**is going to support Australia into the future/ is ensuring their standard of living into the future etc** ("How confident are you that we are managing/planning for future challenges?")
- create a positive community sentiment in relation to **a sense of being included in the tax reform conversation** ("Do you feel you have been given the right to have your say?")

### Behavioural objectives

- increase community's information seeking behaviour – call to action ("As a result of what you have seen or heard, have you visited the website/called the info line etc?")
- increase community participation in the tax reform dialogue ("Have you contributed to discussion on this topic via the interactive website/community forum/letter to editor etc?")

## 10. KEY MESSAGES

Messages will be based on common themes around increasing business and community awareness and understanding of tax reform and the direct impact on them. Messages will also direct the community to more detailed information to help them consider the implications for their circumstances or to become involved in the community engagement process.

### Overarching messages:

- The tax system affects how we live and work. Our taxes pay for the schools, hospitals and infrastructure from which we all benefit.
- It is everybody's tax system: the decisions we make now will secure our future for coming generations. You have a right to contribute.
- We are now at a crucial point in Australia's history: we need to plan ahead to support the needs of an ageing population and protect our standards of living for the future.
- We need to act now to ensure that Australia takes full benefit from the profits generated by our natural resources.
- By taxing mining profits before they leave the country, the Government will have more money to secure our standard of living now and into the future.

- Our tax system is overly complicated. Tax reform will provide the revenue we need to deliver a simpler and fairer tax system.

### *Stronger economy (Securing our future)*

- Resource Super Profits Tax
  - § We need to act now to ensure Australia gets its fair share of the wealth generated by our natural resources.
  - § This can be achieved by taxing mining profits before they leave the country. That's why a xx per cent Resource Super Profits Tax will be introduced from 1 July 2012.
- Reduced company tax rate
  - § The company tax rate will be cut to xx per cent from 1 July 2013 and then to xx per cent from 1 July 2014.
  - § A reduced company tax rate will make sure Australia continues to be an attractive place for new industries and businesses to set up and new jobs to be developed for now and future generations.
  - § A lower company tax rate means more investment in Australian business - more investment means business can afford better tools and technology for Australian workers.
  - § With better tools and technology we can produce more – and earn more – without having to work harder or longer.

### *A simpler tax system*

- Standard work expense deduction
  - § Australians pay other people to do their tax because it's just too complex for ordinary people.
  - § That's why the Government is introducing a standard deduction of \$xx for workers from 1 July 2013.
  - § Rather than itemising work related expenses for small refunds, taxpayers will be given the option of a \$xx standard deduction instead.
  - § Some people will have expenses over and above the standard deduction. They will still have the option of itemising these work related expenses as normal.
- Small business assistance
  - § For small business, removing red tape will allow more opportunity to grow and that will benefit all of us.
  - § To make life easier for small business, from 1 July 2012, the Government will be providing an instant write-off for all assets worth less than \$xx. This builds on the Government's Investment Allowance for small business provided in 2009.

### *A fairer tax system*

- Superannuation
  - § By taxing mining profits before they leave the country, the Government will have more money to ensure that all Australians, especially those on low incomes, are encouraged to contribute to their superannuation.
  - § From 1 July 20xx, the Government is increasing the rate of the superannuation guarantee for all Australians from 9 per cent to x per cent.
  - § To encourage increased contribution to superannuation, for low income earners, superannuation contributions will be tax free from xx.

- § Increased contribution to superannuation reduces the income support Australians need when they retire.
- § Superannuation caps will be increased from \$xx to \$yy to ensure that Australians – particularly those approaching retirement - can put aside more money for their future.

#### *Get involved*

- Tax reform will affect all Australians directly. That's why everyone has the right to be involved how our tax system will work now and into the future.
- Australians have a right to know how the tax system affects them.
- Australians have a right to have their say in our future tax system.
- Get more information by visiting [web site URL] or phoning the tax reform info line on [xxx]
- Find out how you can have your say on tax reform by visiting [web site URL] or phoning the tax reform info line on [xxx]

#### **Communication mix**

The campaign has been costed to be rolled out in three phases:

- Phase 1 (four weeks – mid May to mid June 2010) – press and Internet advertising to support the announcement of the government's tax reform agenda;
- Phase 2 (six weeks – early July to mid August) – television, radio, press and online advertising to raise community and business awareness and understanding of the reform process and encourage engagement in the community consultation process; and
- Phase 3 – (four weeks – April/May 2011) – television, radio, press and online advertising to maintain community and business awareness and understanding.

Following the Phases 1 and 2, tracking research and other evaluation methods will determine whether the third phase of the campaign will require a different creative approach.

Some below-the-line communications targeting business will support the Phase 2 mass media advertising with the intention of communicating to business on specific measures that impact on them.

The Treasurer will be the responsible Minister for all campaign activities, as well as associated below-the-line communications.

#### **Advertising**

Mass media advertising is considered the most appropriate channel to quickly raise broad awareness of tax reform with the general community and business. These channels include:

- television
- radio
- press advertisements (major metropolitan, regional, ethnic and local print)
- internet (banner advertising; campaign website; information on the DEEWB-built tax reform website and other relevant agencies' websites).

Developmental research indicates that the mass media would be an 'ideal' channel for the campaign to capture audience attention, draw them into the 'story' of tax reform and permit them to get involved:

"TV is the channel of choice to engage a broad cross section of the community, including low income participants. It also lends a sense of 'importance' and 'inclusion' to the communications. Radio is also effective, particularly for small business, while advertising in the mainstream press

could engage some in a more considered presentation of the 'story' and changes being considered."

### **Stakeholder and Community Consultation**

While the initial announcement focuses on business tax reform, the Government intends to continue to look at other aspects of the system and any future changes will affect all Australians directly. Ongoing community engagement – via the web site and direct dialogue – will be important so that the community can continue to have their say about how our tax system should work and be able to support future generations.

### **Direct mail**

Direct mail is a commonly used channel for communicating with business, and this approach is supported by the developmental research. Small business, in particular, indicated that this mechanism would be an effective way of communicating with them: "direct mail can communicate to this audience that 'you matter and this information matters' and encourages them to keep it."

### **Collateral material**

Campaign collateral material will be produced to support the direct mail to business relating to business specific measures. Additional materials, including fact sheets on individual measures and the Government's broad tax reform agenda, will be available via the campaign web site and also on order via the campaign infoline.

### **Public relations and issues management**

Public relations and issues management activities are essential in gaining community and stakeholder support for tax reform, and in reinforcing campaign messages through below-the-line activities. It is proposed that stakeholder engagement be supported by a public relations consultant, and that the successful consultant will also help the Treasury to assist with stakeholder and community engagement during the development of the campaign.

### **Tax professionals**

Regular communication and consultation with tax professionals is an ongoing part of the ATO's operations. However, activities aimed at educating and equipping tax agents prior to the implementation of the tax reform measures, particularly in relation to the simplification of the system for individuals and business, will need be increased in the lead up to implementation of the reforms.

In addition, broader messages about the tax reform measures and how they impact on tax agents, as well as taxpayers, will be distributed to agents on an ongoing basis through a range of existing communication channels. A public relations consultant will be engaged to assist with stakeholder relations and their assistance will be sought in carefully managing tax professional relationships as the new measures are implemented.

### **ATO communications**

Because the policy changes associated with tax reform impact on the entire community, Treasury will continue to work closely with the ATO to ensure taxpayers and the community are directed to the appropriate source of information, prior to implementation of the legislation.

Following the passage of legislation on the Government's tax reform initiatives, the ATO will likely take responsibility for communications activity aimed at letting affected audiences know what they need to do. This will result in further iterations of this strategy needing to be developed to underpin the implementation of the reforms post-legislation.

### **Campaign website and information lines**

DEEWR has been commissioned to establish a tax reform website which will include information about the reforms, as well as being the core platform for Government's community consultations.

The developmental research has highlighted the critical importance of this channel in the mix:

"This should be seen as a critical component of engagement, and one which was suggested by a wide cross-section of respondents. For many, particularly youth, this is an expected channel."

“In combination with online participation mechanisms, breadth and depth of information on the website enhances both actual knowledge, and the perception of transparency, both of which heighten the sense of empowerment for the broad span of audiences.”

The ATO will maintain the campaign in line with Treasury providing call centres with scripts, training and media schedules so they can be appropriately resourced to manage the increased demand.

## 11. ROLE OF CONSULTANTS

Treasury will select and manage all consultants engaged to support the campaign. Consultants will be engaged to:

- conduct all developmental, concept testing, benchmark and tracking research throughout the duration of the campaign;
- develop creative concepts and produce mass media advertising components;
- develop and implement a stakeholder engagement strategy, and identify and work with the Treasury to manage other potential publicity opportunities; and
- provide NESB communications support (in particular translation services and review of mainstream campaign materials for ‘cultural appropriateness’).

## 12. RESEARCH AND EVALUATION

Research against the communication objectives will provide a benchmark for the campaign with changes measured in tracking research and post-implementation evaluation.

In addition to the developmental research already conducted by Open Mind Research Group, research will be used to inform and direct the campaign through:

- concept testing to ensure all creative concepts, advertisements and products are appropriate, relevant and effective;
- benchmarking research to set a baseline of the target audiences’ awareness, attitudes and behaviour against the communication objectives, before the campaign begins;
- tracking research during the campaign to monitor any changes in the target audiences’ awareness attitudes and behaviour; and
- evaluation of the campaign to assess its effectiveness in achieving the communication objectives.

The public relations management consultant also will provide a report evaluating the effectiveness of the stakeholder engagement strategy on completion of the project.

A full evaluation of the campaign will be conducted following Phase 3 tracking in mid to late 2011, and an evaluation report will be provided to the ICC within three months of any major campaign activity ending, as per the requirements of the Guidelines.

## 13. PROJECT MANAGEMENT

The communication campaign will be managed by the Tax System Division in the Treasury.

Treasury will consult with the Communications Advice Branch (Department of Finance and Deregulation), the ATO, and [insert other government department that need to be consulted].

The Treasurer will be the responsible minister.

All mass media elements of the campaign will be reviewed against the *Guidelines on Campaign Advertising by Australian Government Departments and Agencies* (the guidelines) by the Independent Committee on Communications.

The Secretary of the Treasury will certify that final campaign materials and the campaign media buy comply with the guidelines.

## 14. BUDGET

The total cost of the information campaign is estimated at \$38.48 million over the 2009/10 (\$5.86m) and 2010/11 (\$32.62m) financial years. This consists of:

- media buy (\$29.3m)
- research (\$0.84m)
- advertising production (\$2.35m)
- consultancy costs (public relations/NESB) (\$0.38m)
- direct mail to business and print (\$2.76m)
- web site, call centre and agency support (\$2.85m)

## 15. TIMELINE

| Campaign Phase | Type of advertising                 | Date                     | Duration |
|----------------|-------------------------------------|--------------------------|----------|
| Phase 1        | Press and online                    | Mid May to mid June 2010 | 4 weeks  |
| Phase 2        | Television, radio, press and online | Early July to mid August | 6 weeks  |
| Direct Mail    | Direct mail to business             | End August (TBD)         | 2 weeks  |
| Phase 3        | Television, radio, press and online | April/May 2011           | 4 weeks  |

\*Following the Phases 1 and 2, tracking research and other evaluation methods will determine whether the third phase of the campaign will require a different creative approach.

**Developmental communications research—Summary of findings**

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