

30 January 2009

Senator the Hon John Faulkner
Special Minister of State and Cabinet Secretary
Parliament House
CANBERRA ACT 2600

Dear Minister

Guidelines on campaign advertising

I am writing to provide you with a brief update on progress to date in our review of government advertising campaigns, and to highlight several areas where there are early indications that the guidelines could be refined, or supporting guidance issued to assist agencies.

To date we have issued 21 individual review reports relating to 14 government advertising campaigns; the greater number of reports compared to campaigns reflects the tendency of agencies to take a phased approach to delivering campaigns and, consequently, development of materials for review.

Departments, and particularly the Department of Finance and Deregulation, have been working closely with us as the new approach to government advertising is implemented. Departments still have some work to do to align their business processes to support effective compliance with the core requirements of the guidelines, but we would expect this to improve over time.

The guidelines are generally holding up well, and have been particularly useful in establishing the expectations that all government advertising campaigns must meet. However, there are a few areas where, in the light of experience, the guidelines could be refined or supplemented by additional guidance.

Firstly, there has been a deal of discussion in relation to the identification of activities which are subject to the guidelines, and specifically the boundary between normal business activities of agencies and those activities which fall under the ambit of the guidelines. The involvement of the Interdepartmental Committee on Communications has assisted with this delineation; however some elaboration of the guidelines would assist in making the boundaries clearer. Additionally, some guidance dealing with circumstances where agencies contract out service delivery, and campaigns are subsequently generated by service providers, would be helpful to make it clear that such campaigns are expected to meet the requirements of the guidelines.

Secondly, greater clarity of the goal of the required cost-benefit analysis would be most helpful, ie: whether the goal is to balance the effectiveness of a campaign with its estimated cost; or whether the goal is to maximise the effectiveness of a campaign, with cost being a secondary factor. While accepting that cost-benefit in this context is not a matter for precise measurement, it is an area where significant additional costs can be incurred to improve the marginal effectiveness of a campaign, and it is not clear this is necessarily in the interests of the efficient use of public monies.

There would also be benefit in terms of aiding transparency and public understanding of the reasons for campaigns if agencies were required to present, on their websites, the campaign summary, their CEO's sign-off, a summary of supporting information in relation to the guidelines and our review report, at the time of launching each campaign. Currently only our review report is made available on the ANAO website. Such an approach would be similar to arrangements which apply, for example, in relation to departmental financial statements where both the underlying financial statements and the audit opinion are both publicly available.

There is also a point of clarification related to the CEO's certificate. We understand the CEO's certificate and the planned campaign are to be informed by the purpose of the campaign, departmental analysis and research, and should be independent of any ministerial or Cabinet view relating to the campaign design and implementation. While always accepting that Ministers may take a different view on the nature of a campaign, eg: that television coverage should be part of a campaign, the CEO's certificate should reflect the CEO's views as determined by the application of the guidelines. 'Relevant government policies' in the context of the guidelines would not include any ministerial decisions relating to campaign design and implementation except in the extraordinary circumstances referred to in the guidelines (paragraph 7).

Finally, the Joint Committee of Public Accounts and Audit has scheduled an inquiry into the role of the Auditor-General in scrutinising government advertising on Wednesday 11 March. The ANAO will provide a submission which refers to our work in relation to the campaigns undertaken, our experience with the guidelines to date (based on the above) and explaining how the ANAO has refined its own approach to reviewing campaigns over the past six months. There may be some other matters arising from this inquiry which could beneficially inform any refinements to the guidelines or supporting guidance.

I am happy to discuss any of these matters with you. I have also copied this letter to Dr Watt at Department of Finance and Deregulation, in view of his department's responsibilities in relation to the guidelines.

Yours sincerely



Ian McPhee

Auditor-General