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PM's ad overhaul ignored

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ADVERTISING

A REGISTER of advertising agencies at the centre of the Rudd government's overhaul of its advertising processes is out of date, unwieldy and being ignored by the commonwealth's own departments.

Despite a requirement for departments to source agencies from the list of more than 200 agencies when they are compiling shortlists to tender for major advertising projects, companies that are not on the official Communications Multi-Use List are being approached to pitch for major projects.

M&C Saatchi, which was appointed to the government's high-profile Building Brand Australia project, awarded by Austrade last month, was not on the list on the government's own AusTender website on Friday; however recruitment agency TMP Worldwide, which was forced to call in administrators in March, was on the list.

A source close to the company confirmed M&C Saatchi was one of four also asked by the Department of Communications to tender for its \$16 million advertising campaign to explain the benefits of a national broadband network to the public, despite not being on the list.

A spokeswoman for Communication Minister Stephen Conroy

yesterday said four agencies had been chosen from the list to tender for the project, and "a preferred tenderer has been identified" — although she would not confirm the shortlist or the winning agency's name. The discrepancies have emerged as the government is days away from appointing an agency for the Department of Defence, which is the government's biggest regular advertiser, spending more than \$20m on mediabookings last year mainly to attract new recruits.

Last week Auditor-General Ian McPhee criticised the government for removing the requirement — instituted by Labor after the last election — that he should vet every advertising campaign costing more than \$250,000 to ensure it was not political.

The government meanwhile detailed budget plans to spend \$126m on advertising, including a planned \$30m campaign for climate change, \$38.5m on tax reform and \$12m for parental leave.

The Communications Multi-Use List was launched 15 months ago by Finance Minister Lindsay Tanner with the promise it would create "an open and highly competitive process" when it came to tendering for government advertising accounts.

On Saturday, Mr Tanner said participants were required to update their own details on the list and departments were required to use it, although not all government agencies had to use it.

"Individual government departments are responsible for their compliance with Australian government procurement policies and the government's advertising guidelines," Mr Tanner said.

M&C Saatchi chairman Tom Dery said the agency had applied and been accepted for inclusion on the Communications Multi-Use List, and to his knowledge had not been removed.

A spokeswoman for Mr Tanner could not explain why the agency was no longer on the list, and said "inquiries are in process" to confirm TMP's financial situation.

Meanwhile, the head of an advertising agency that works on several government accounts said that, in practice, the system had changed, and government departments were now "running their own show".

Daniel Leesong, chief executive of the Communications Council advertising body, said it was a "fair comment" to say most government work continued to be concentrated among a handful of agencies despite the more than 200 companies on the list.

He said the inclusion of insolvent agencies on the list, or the inclusion of agencies that were not on the list in major pitches put the process in question. "It questions the validity of the list or the process surrounding the list," Mr Leesong said.

He said a "consolidation" of the list to fewer agencies "can only be a positive for the industry".

Senate F&PA Committee
Tabled Document

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