

**Final Government response to
the Senate Finance and Public
Administration References
Committee report - *Government
Advertising and Accountability*,
December 2005**

Government Response to the recommendations of the Senate Finance and Public Administration References Committee Report, *Government advertising and accountability*

The Senate Finance and Public Administration References Committee (SFPARC) Inquiry report - *Government Advertising and Accountability* was tabled in the Australian Parliament on 6 December 2005.

The context for the SFPARC inquiry was in relation to the arrangements for campaign advertising that ultimately operated between 1996 and 2007 under the previous Government. The Committee's report and its recommendations reflected key concerns about increasing levels of Australian Government campaign advertising expenditure, the potential for publicly-funded campaigns to serve party-political interests, and a lack of accountability and transparency around campaign advertising. The previous Government did not provide a final response to the Committee report, nor did it adopt any of the Committee's recommendations.

The issues raised by the Committee in relation to the former Government's advertising arrangements have been addressed by significant changes to the governance and accountability arrangements for publicly-funded campaign advertising. Following the 2007 Federal election, the Government introduced considerable reforms to campaign advertising which took effect from mid-2008. This campaign advertising framework was further refined following an independent review, in March 2010. Campaign advertising expenditure has also been significantly reduced relative to the levels under previous governments.

The present framework for publicly-funded advertising and information campaigns applies to all agencies subject to the *Financial Management and Accountability Act 1997* (FMA Act).

The key features of the framework include:

- *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* (Guidelines) that govern the content and presentation of publicly-funded campaigns;
- a process of independent review to ensure that advertising campaigns above the value of \$250,000 demonstrate compliance with the Guidelines; and
- strengthened accountability and transparency arrangements to provide clear information about the costs of campaign advertising to the Parliament.

Accordingly, the Government accepts in principle the majority of the 13 recommendations contained in the *Government Advertising and Accountability* report, while noting that all of the substantive issues raised by the Committee have been overtaken by considerable reforms aimed at improving the governance, transparency and accountability processes for campaign advertising.

Response to recommendations

Recommendation 1

1) *The Committee recommends that the Senate refer to the Finance and Public Administration References Committee for inquiry and report the matter of the impact of outcome budgeting for appropriations on Parliamentary consideration and approval of government expenditure, and the accountability of government for such expenditure.*

Government response:

Not applicable. This recommendation involves matters to be considered by the Senate.

Recommendations 2 and 13

2) *The Committee recommends that for all major government advertising campaigns, the responsible department should conduct or commission a qualitative evaluation of key facets of the campaign (such as media placement strategy, campaign concept, response of target audience, value for money and so on) and report the evaluation results to the MCGC.*

13) *The Committee recommends that public opinion and market research commissioned by government departments be made available by departments to the public through the National Library of Australia and the Parliamentary Library.*

Government response:

Agreed in principle. The 2010 *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* (Guidelines) state that research reports for advertising campaigns with expenditure of \$250,000 or more are expected to be made available on agency web sites following the launch of a campaign, wherever it is appropriate to do so. The Guidelines also provide that campaigns are to be evaluated to determine effectiveness.

Recommendations 3 and 4

3) *The Committee recommends that the government update the 1995 Guidelines on Australian Government Information Activities as a matter of urgency.*

4) *The Committee recommends that the Government adopt the Joint Committee of Public Accounts and Audit's draft guidelines for government advertising, amended as follows:*

- *insert after the third dot point under 'Material should be relevant to government responsibilities' three additional dot points as follows:*
 - a) *No expenditure of public money should be undertaken on mass media advertising, telephone canvassing or information services, on-line services, direct mail or other distribution of unsolicited material until the government has obtained passage of legislation giving it authority to implement the policy, program or service described in the public information or education campaign.*
 - b) *Nothing in (a) should be taken to prohibit the government from seeking a public response to draft legislation or to Green or White papers. Advertising for public response to draft legislation, however, must take the form of inviting submissions and formal comment on a published bill or discussion paper.*
 - c) *Where a proposed public information or education campaign covers a matter which does not require legislation, an appropriation for the specific purpose of the public information or education campaign must be obtained.*

- d) *The only exclusions to these requirements are where major issues of public health, public safety or public order may arise at short notice.*
- *replace the guideline heading 'Material should not be liable to misrepresentation as party political' with heading 'Material should not be directed at promoting party political interests'.*

Government response:

Agreed in principle. The Government adopted principles-based Guidelines on Campaign Advertising in mid-2008, based on the draft guidelines for government advertising as recommended by the Joint Committee of Public Accounts and Audit (JCPAA) in 2000. The 2008 Guidelines were refined in 2010, based on an independent review which recommended changes to address areas of complexity and ambiguity. The current *Guidelines on Information and Advertising Campaigns* retain the key features of the draft guidelines as proposed by the JCPAA in 2000.

Recommendations 5 to 8

- 5) *The Committee recommends that the government implement, as a matter of urgency, a mechanism to monitor and enforce compliance with guidelines on government advertising activity.*
- 6) *The Committee recommends that once an advertising campaign valued at \$250,000 or more has been given final approval by the MCGC, the advertisements must be submitted to the Auditor General by the department that is incurring the expenditure. The Auditor-General must report back to the department and the portfolio minister as soon as possible whether the campaign complies with the revised guidelines on government advertising, and the extent of any non-compliance.*
- 7) *The Committee recommends that every six months the Auditor-General must table a report in the Parliament which details his or her assessment against the guidelines of the advertising campaigns that have been implemented during that six-month period.*
- 8) *The Committee recommends that if a department continues with a campaign that the Auditor-General has assessed as not complying with the guidelines, and has provided reasons for that course of action, the Auditor-General must include the departmental response in the tabled report. If a department has amended a campaign in the light of the Auditor-General's initial assessment, the Auditor-General will not table the initial report but only the final assessment made of the campaign.*

Government response:

Agreed in principle. The Government has established the Independent Communications Committee (ICC) to provide an independent, external source of advice on whether advertising campaigns (above the value of \$250,000) comply with the key principles of the Guidelines. The ICC's advice to Chief Executives is published on the Department of Finance and Deregulation's website after campaigns are launched.

Chief Executives are ultimately responsible for certifying that campaigns in their portfolios are compliant with the Guidelines, and for ensuring that their certification is published on a relevant agency website when campaigns are launched. The process of independent review, and the publication of campaign certifications, provides timely transparency on campaigns and their compliance with the Guidelines.

Recommendations 9 to 12

9) *The Committee recommends that the government comply with the Senate Order of 29 October 2003 relating to agency advertising and public information projects.*

10) *The Committee recommends that the Government Communications Unit in the Department of the Prime Minister and Cabinet publish an annual report on government advertising, commencing in financial year 2005-06. The annual report should be modelled on the Annual Report on the Government of Canada's Advertising 2003-04. It should include:*

- *a total figure for government expenditure on advertising activities;*
- *total figures by agency for expenditure on advertising activities;*
- *figures for expenditure on media placement by type and media placement by month; and*
- *detailed information about major campaigns, including a statement of the objectives of the campaign, the target audience, a detailed breakdown of media placement, evaluation of the campaign including information about the methodology used and the measurable results, and a breakdown of the costs into 'production', 'media placement' and 'evaluative research'.*

11) *The Committee recommends that from financial year 2005-06 the annual reports of each government agency must include:*

- *a total figure for the agency's advertising expenditure; and*
- *a consolidated figure for the cost for each campaign managed by that agency.*

12) *The Committee recommends that from financial year 2005-06 the annual reports of each government agency must include:*

- *a total figure for departmental expenditure on public opinion research;*
- *a breakdown of the type of research, including the expenditure on research for advertising as a percentage of total research costs;*
- *highlights of key research projects; and*
- *a listing of research firms used by business volume.*

Government response:

Agreed in principle. Biannual reports on campaign advertising are tabled in the Parliament in March and September each year. These reporting arrangements are similar (albeit with more frequent reporting) than recommended by the Committee. The biannual reports provide expenditure data, both at an aggregate level, and in terms of individual advertising campaigns, along with other detail about the operation of the campaign framework. This consolidated reporting on campaign advertising is more comprehensive than provided by any previous government. Departments and agencies are also required to detail any advertising campaigns undertaken in their annual reports, along with reporting on payments made to advertising agencies, market research/polling organisations, direct mail organisations and media advertising agencies.

In relation to the Senate Order of 29 October 2003 (which proposed that key details about advertising and information campaigns would be tabled in the Parliament within five days of their launch), the Government is satisfied that its framework of biannual reporting provides timely disclosure, transparency and accountability in relation to campaign advertising.