

The Senate

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Finance and Public Administration  
References Committee

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Government advertising and  
accountability

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References Committee and printed by the Senate Printing Unit, Parliament House,  
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## **Members of the Committee**

Senator Michael Forshaw (Chair) ALP, NSW  
Senator John Watson (Deputy Chair) LP, TAS  
Senator Carol Brown ALP, TAS  
Senator Mitch Fifield LP, NSW  
Senator Claire Moore ALP, QLD  
Senator Andrew Murray AD, WA

### **Substitute member for this inquiry**

Senator Kim Carr ALP, VIC (replaced Senator Claire Moore from 22 June 2005)

### **Former substitute member for this inquiry**

Senator Andrew Murray AD, WA (replaced Senator Aden Ridgeway  
30 November 2004 to 30 June 2005)

### **Former members**

Senator George Campbell (discharged 1 July 2005)  
Senator the Hon William Heffernan (discharged 1 July 2005)  
Senator Aden Ridgeway (until 30 June 2005)  
Senator Ursula Stephens (1 July to 13 September 2005)

### **Participating members**

Senators Abetz, Bartlett, Bishop, Boswell, Brandis, Bob Brown, Carr, Chapman, Colbeck, Conroy, Coonan, Crossin, Eggleston, Evans, Faulkner, Ferguson, Ferris, Fielding, Fierravanti-Wells, Joyce, Ludwig, Lundy, Sandy Macdonald, Mason, McGauran, McLucas, Milne, Moore, O'Brien, Parry, Payne, Ray, Sherry, Siewert, Stephens, Trood and Webber.

### **Secretariat**

Alistair Sands	Committee Secretary
Sarah Bachelard	Principal Research Officer
Matt Keele	Research Officer
Alex Hodgson	Executive Assistant

### **Committee address**

Senate Finance and Public Administration Committee  
SG.60  
Parliament House  
CANBERRA ACT 2600  
Tel: 02 6277 3530 Fax: 02 6277 5809  
Email: [fpa.sen@aph.gov.au](mailto:fpa.sen@aph.gov.au) Internet: [http://www.aph.gov.au/senate\\_fpa](http://www.aph.gov.au/senate_fpa)



## Terms of Reference

On 18 November 2004, the Senate referred the following matter to the Finance and Public Administration References Committee for inquiry and report by 22 June 2005. On 16 June 2005 the Senate extended the time to report to 10 November 2005. On 11 October 2005 the Senate extended the time to report to 1 December 2005.

- (a) the level of expenditure on, and the nature and extent of, Commonwealth government advertising since 1996;
- (b) the processes involved in decision-making on Commonwealth government advertising, including the role of the Government Communications Unit and the Ministerial Committee on Government Communications;
- (c) the adequacy of the accountability framework and, in particular, the 1995 guidelines for government advertising, with reference to relevant reports, guidelines and principles issued by the Auditor-General and the Joint Committee of Public Accounts and Audit;
- (d) the means of ensuring the ongoing application of guidelines based on those recommended by the Auditor-General and the Joint Committee of Public Accounts and Audit to all government advertising; and
- (e) the order of the Senate of 29 October 2003 relating to advertising projects, and whether the order is an effective mechanism for parliamentary accountability in relation to government advertising.



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## List of Abbreviations

ACTU	Australian Council of Trade Unions
AIDS	Acquired Immune Deficiency Syndrome
ALP	Australian Labor Party
ANAO	Australian National Audit Office
CAS	Central Advertising System
Cth	Commonwealth of Australia
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Workplace Relations
F&PA	Finance and Public Administration Legislation Committee
FMA	<i>Financial Management and Accountability Act 1997</i>
GCU	Government Communications Unit
GST	Goods and services tax
HCA	High Court of Australia
JCPAA	Joint Committee of Public Accounts and Audit
MCGC	Ministerial Committee on Government Communications
MCGIA	Ministerial Committee on Government Information and Advertising
MP	Member of Parliament
NHMRC	National Health and Medical Research Council
OGIA	Office of Government Information and Advertising
Ombudsman	Commonwealth Ombudsman
PBS	Portfolio Budget Statements
PM&C	Department of the Prime Minister and Cabinet
PR	Public relations
TARP	Target audience rating point

# Executive Summary

## Introduction

Government advertising or information campaigns are an accepted means by which governments inform the public about new initiatives, policies or programs. They help to advise people on how they might benefit or be affected by or what they need to do to comply with new requirements. The Commonwealth government is one of the largest national advertisers in Australia, spending in excess of \$100 million per year.

The problem with government advertising arises when the distinction between legitimate government advertising for public policy purposes and political advertising for partisan advantage is blurred. In other words, the problem arises when governments use taxpayer funds to gain political advantage through partisan promotion of their views or themselves, rather than to meet the genuine information needs of citizens.

Concern has been expressed at various times by members and Senators on all sides of politics that incumbent governments have misused taxpayer funds in this way. A number of inquiries in the last ten years have recommended reforms to the guidelines on government advertising, in order to address these concerns. None of the recommended reforms have been adopted by the government.

## Commonwealth government advertising since 1996

This inquiry arose out of concern about the escalating costs of Commonwealth government advertising since 1996, and about the political nature of particular advertising campaigns.

Expenditure on Commonwealth government advertising has climbed steadily since 1991-92. Between 1991-92 and 1995-96, the average yearly advertising expenditure through the Central Advertising System was \$85.6 million. Between 1996-97 and 2003-04, the average yearly expenditure on advertising was \$126.75 million.<sup>1</sup>

The median expenditure over the whole period from 1991-92 to 2003-04 was \$97 million. Expenditure by the Howard government since 1996-97 thus averages \$29.75 million more than the median; expenditure by the Keating Labor government prior to 1996-97 averaged \$11.4 million less than the median. Excluding the bi-partisan advertising campaigns for Defence Force Recruitment, the next nine most expensive advertising campaigns since 1991 have been conducted by the Howard government.

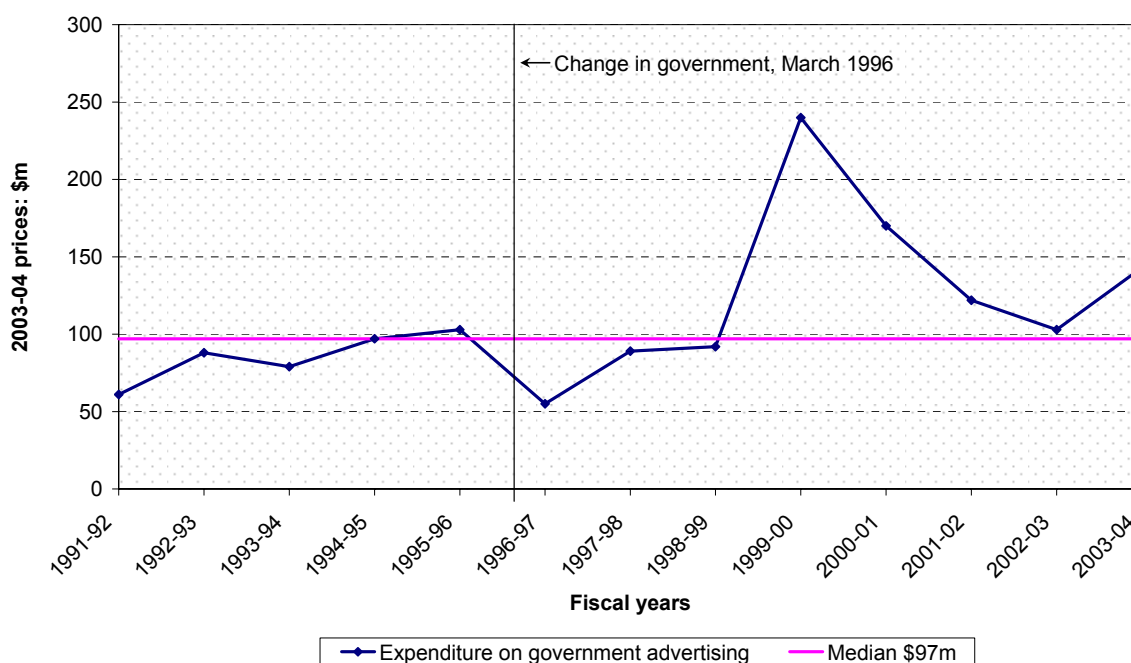
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1 The figures are in 2003-04 prices. They reflect only the cost of 'media placement' over this period, and do not include the cost of the design and production of the advertisements, public relations, market research and evaluation costs, or publication and distribution costs.

The overall cost of Commonwealth government advertising is also tending to escalate each year. For example, advertising expenditure in the three years from 1996-97 to 1998-99 was \$55 million, \$89 million and \$92 million respectively. In 1999-00, there was a very large jump in expenditure to \$240 million, which is accounted for by the GST advertising campaign. Expenditure since that time, however, has never dropped below \$100 million per year. In the four years from 2000-01 to 2003-04, yearly expenditure was \$170 million, \$122 million, \$103 million and \$143 million respectively.

The following figure illustrates the pattern of Commonwealth government advertising expenditure through the Central Advertising System between financial years 1991-92 and 2003-04.

**Figure 1—Government advertising expenditure 1991 to 2004**



Source: *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2 and the Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, p. 94.

The year 2005-06 has seen another major government advertising campaign, namely the WorkChoices campaign for the government's proposed workplace relations reforms. This single campaign is estimated to cost as much as the total government advertising expenditure for 1996-97, with the advertising costs estimated to be

between \$38.3 million and \$44.3 million, and the total cost of the campaign estimated to be \$55 million.<sup>2</sup>

In evidence to the Committee, the Special Minister of State, Senator the Hon. Eric Abetz, claimed that the Howard government's spending on advertising since 1996 was comparable to, if not restrained, by the standards of state and previous federal governments. He claimed further that all the advertising campaigns conducted could be justified with reference to legitimate public policy goals.

The Committee, however, considers that the expenditure figures clearly show that current Commonwealth government spending on advertising is excessive and that the costs to taxpayers of such expenditure are steadily increasing.

The recent advertising campaign on the government's proposed workplace relations reforms, the WorkChoices campaign, provides a clear example of this government's wasteful expenditure and politically partisan advertising.

### **WorkChoices campaign**

Two major tranches of advertising trumpeting the supposed benefits of WorkChoices 'reforms' were conducted before the legislation was even introduced into the parliament.

Advertisements were published and broadcast in July 2005 and from 9 October to 30 October 2005. The relevant legislation was not introduced into Parliament until 2 November 2005.

The advertisements state opinion as facts, with whole pages of newspaper advertisements being taken up with the slogan 'Australia can't afford to stand still'. In place of providing information about new entitlements or specific obligations, the WorkChoices advertisements concentrate on communicating sentiments such as:

- 'Countries have the choices of either going forwards or backwards. Marking time is not an option'; and
- '[WorkChoices] will improve productivity, encourage more investment, provide a real boost to the economy and lead to more jobs and higher wages'.

The advertisements provide no evidence which supports their assertions and no information about when the legislation will be introduced or what effects it will have on individuals.

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2 The figure of \$55 million expended in 1996-97 is only the amount spent on media placement, whereas the \$55 million on the WorkChoices campaign includes the cost of a call centre and information booklets, as well as advertising costs.

The real purpose of the campaign seems to be to persuade the public, in advance of any scrutiny or debate on the substance of the reforms, that whatever the legislation contains it must be supported. Such a campaign is properly called propaganda.

The wastefulness of the WorkChoices campaign is demonstrated not only by the total amount spent, but also by the saturation coverage at which the campaign aimed.

For example, the intended 'reach and frequency' of the television components of the campaign aimed at 95 per cent of the viewing audience seeing a commercial at least once during the campaign and 82 per cent of the viewing audience seeing the commercials three or more times over the three-week period. The average viewer saw the television advertisement 29 times.

In addition to the television advertisements, six million information booklets were printed for distribution. At 3 November 2005, 157,500 of the six million booklets had been ordered and just over 178,000 had been dispatched. This meant that about 5.8 million booklets were left in the warehouse.

A further 458,000 booklets were pulped at a cost of \$152,944. The pulping of the booklets occurred as a result of a government decision, so that the word 'fairer' could be inserted into the title, 'A simpler, fairer, national Workplace Relations System for Australia'.

The Committee is outraged at the wastefulness evident in this campaign. Did the government seriously think that six million households would seek an information booklet about legislation yet to be introduced to the Parliament? Did the government seriously think that it was necessary to expose the average viewer to 29 television advertisements in order to convey the information that reforms were proposed?

The extravagance of the advertising campaign, and the refusal to implement any of the reforms proposed in previous reports, demonstrates that the current government has developed a disregard for the principles of accountability and stewardship in its expenditure of taxpayer funds. This in turn suggests that there is an urgent need to review the accountability framework for government advertising.

### **High Court challenge and appropriations process**

During the course of the Committee's inquiry, the ACTU and the Australian Labor Party (ALP) brought proceedings against the Commonwealth Government in the High Court. They challenged the lawfulness of the government's use of public money to fund its WorkChoices advertising campaign on the grounds that the expenditure was not specifically authorised by the *Appropriation Act (No.1) 2005-2006*.

The High Court found by majority judgement that because the government is not required by the Appropriation Act to specify in advance the specific purposes for which money will be used, the expenditure was lawful. Two of the High Court judges, Justices Kirby and McHugh dissented from the majority judgement, finding in favour of the plaintiffs.



The implications of the judgement by the High Court are twofold.

First, the judgement makes plain that under the financial management framework erected since 1997, the Parliament has limited ability to determine how much money is available for particular purposes or the purposes for which money is to be spent.

The second, and consequent, implication of the High Court's judgement is that because of the government's freedom in relation to the expenditure of its appropriations, there is almost nothing in the appropriations process itself that will provide any restraint on government expenditure on politically contentious advertising activities.

The judgement raises questions that go much wider than expenditure on government advertising. They concern the whole financial accountability framework and Parliament's role in monitoring and approving government expenditure.

The Committee considers that this is a significant issue that should concern the whole Parliament. Accordingly, it recommends that the question of the impact of outcome budgeting for appropriations on the accountability of, and Parliamentary control over, government expenditure should be referred to a Senate Committee for inquiry and report. The inquiry should consider ways in which Parliamentary scrutiny of government expenditure can be enhanced before and after such expenditure has occurred

### **Accountability framework**

The Committee considers that there are two main reasons for holding governments accountable for their expenditure on government advertising.

The first is the need to ensure that public monies are not spent wastefully or without adequate justification, acknowledging that every million dollars that is spent on an advertising campaign is a million dollars that is not spent on education, health, national security or the environment.

The second is the need to ensure that the democratic process is not gradually undermined through the use by incumbent governments of publicly funded 'spin' or propaganda to manipulate public opinion.

In the Committee's view, there are two major mechanisms required to deal with both these concerns about government advertising. The first is an adequate system for disclosing the quantum of advertising expenditure and, equally importantly, for disclosing the public policy justification of major advertising campaigns. The second is the scrutiny of that justification and of the government's proposed campaign material against agreed guidelines.

The Committee makes recommendations in relation to both these mechanisms.

## Disclosure

The current disclosure arrangements make it virtually impossible to calculate the total expenditure on government advertising over any one financial year.

Each year the Department of the Prime Minister and Cabinet discloses the total amount spent through the Central Advertising System (CAS) in its annual report. The expenditure reported through the CAS, however, relates *only* to the cost of buying media time and space to place the advertisements.

The costs of market research, creating and producing the advertisements themselves, producing and distributing other advertising material such as booklets, posters, and mail-outs, testing the material, and evaluating the effectiveness of the campaign are all separately managed and recorded through the budgets of individual departments. When these amounts are included in a total advertising expenditure figure, the overall amount rises considerably.

Currently, however, the only way to calculate that total figure is to read each departmental annual report individually, and add up the reported amounts. Even this process is made very difficult, because advertising costs may be reported under different appendices in the reports. There is no requirement for annual reports to provide a consolidated figure for all advertising expenditure by the department in the financial year.

Other information about government advertising campaigns is equally difficult to glean. For example, annual reports do not routinely disclose the public policy justification for running particular campaigns. They do not provide information about the target audience or about the effectiveness of the campaign in meeting its stated objectives. Senator Abetz claimed that all this information is available to the Parliament through mechanisms such as Senate Estimates processes and questions on notice.

The Committee notes, however, that the *timeliness* of the provision of information is almost as important for accountability purposes as the *availability* of information. In May 2004, for example, Senator Murray lodged questions on notice to all departments and agencies requesting information about their major advertising activities. The complete set of answers to those questions still had not been provided a year later. The Committee records that the minister and departments had still not provided answers to questions on notice, despite a number of requests, at the time of finalising the report. Frequently encountered government delays in providing information on campaigns mean that it may be impossible for the Parliament to react in a timely way to the misuse of public funds on politically motivated government advertising campaigns.

The Committee considers that this unwillingness on the part of the government to disclose information that should be routinely available to the Parliament and the public should not be tolerated.

Accordingly, the Committee recommends a series of measures to substantially increase the disclosure of information about government advertising activities and expenditure. In particular, the Committee considers that the Australian government should take as a model the new Canadian system of disclosure of information about government advertising.

The Canadian system includes the publication of a whole-of-government annual report on government advertising, which consolidates and provides information about all government advertising activities for the financial year. The Committee recommends that the Government Communications Unit within the Department of the Prime Minister and Cabinet publish an annual report on government advertising from 2005-06.

In addition to a detailed breakdown of expenditure, the report should provide information about major campaigns. This should include 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'.

## **Guidelines**

The *Guidelines for Australian Government Information Activities: Principles and Procedures* (the guidelines) used by the Commonwealth government were first promulgated in February 1995 by the Keating Labor Government. In evidence to this inquiry, Senator Abetz consistently maintained that the guidelines needed no revision.

The Committee rejects that claim for three reasons. First, the current guidelines are ten years old and were written in a very different context. Second, the guidelines as they stand are not currently being met by the government. The third reason is that the guidelines were not designed to address the major question before this inquiry. That is, they do not address the potential for the misuse of government advertising for political advantage.

In the report, the Committee discusses suggested revisions to the guidelines made in recent reports by the Auditor-General, the Joint Committee of Public Accounts and Audit (JCPAA), and the Senate Finance and Public Administration Legislation Committee.

The Committee considers that the guidelines proposed by the JCPAA, which combine both the Auditor-General's guidelines and the essential elements of the 1995 guidelines, provide a comprehensive set of principles and guidelines for government advertising. In particular, the Committee endorses the statement of principle in these guidelines that 'government information programs shall not be conducted for party political purposes'.

The Committee considers, however, that two sets of additional remarks made by members of the JCPAA, Mr David Cox MP and Mr Petrou Georgiou MP, raise points that should also be taken account of in implementing the guidelines.

Accordingly, the Committee recommends that the Government update the current guidelines as a matter of urgency and adopt the guidelines proposed by the Joint Committee on Public Accounts and Audit, with two amendments as specified in the report.

### **Auditor-General scrutiny**

The Committee recognises that general guidelines on government advertising have, on their own, limited power to direct the activities of the government. This means that, even if the government adopted the guidelines proposed by the Committee, the 'problem' of government advertising being used or having the potential to be used for partisan political purpose will not be automatically solved. Guidelines will only be effective in the context of a broader accountability framework.

Part of that framework will involve disclosure. Disclosure of expenditure, however, occurs necessarily after the fact. Disclosure on its own cannot prevent misleading advertising campaigns from having a propaganda impact, even if the expenditure is subsequently found to be unjustified.

For this reason, the Committee considers that there needs to be some form of independent scrutiny of the government's compliance with the guidelines. This scrutiny needs to assess the content of the campaigns and not simply their overall cost.

A number of suggestions for independent scrutiny of government advertising activity have been made. The Committee discusses several such suggestions in the report. These include the following proposals:

- that compliance with the guidelines be enforced through the criminal law;
- that an independent Government Publicity Committee be established comprising the Commonwealth Ombudsman, the Auditor-General and one other member;
- that an independent commission be established, appointed by a parliamentary committee;
- that proposed campaigns be assessed and approved or disallowed by the Public Service Commissioner; or
- that proposed campaigns be assessed and approved or disallowed by a Joint Parliamentary Committee.

The Committee notes that the merit of all these proposals is that they attempt to address the potential impact of government advertising campaigns in propaganda as well as fiscal terms.

The very fact, however, that they attempt to address this issue means that any body charged with approving or withholding approval of proposed advertising campaigns may be vulnerable to being caught in political cross-fire.

The Committee seeks to draw on the strengths of a number of the proposals outlined above, whilst being realistic about the fact that ultimately the development and approval of advertising campaigns is in the hands of the government.

Accordingly, the Committee recommends a measure that is designed to ensure independent scrutiny of advertising campaign content, but which does not give an independent body the role of approving or disallowing campaigns.

The Committee recommends that once the creative content of an advertising campaign valued at \$250,000 or more has been finalised, the advertisements must be submitted to the Auditor-General for assessment. The Auditor-General must report back to the department incurring the advertising expenditure and the relevant portfolio minister whether the campaign complies with the guidelines on government advertising, and the extent of any non-compliance.

It is open to the department and the Minister to make the changes necessary to bring the campaign into compliance, or to reject the Auditor-General's report.

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.

The Committee notes that this proposal does **not** require that government advertising campaigns are approved by the Auditor-General before they can be run, nor that the Auditor-General may direct the withdrawal of an advertising campaign. Rather, government advertising campaigns are simply certified as complying with the guidelines or not, and a report on the extent of any non-compliance made available to the Parliament and the public.

The consequences of any non-compliant government advertising being implemented remain a matter for the Parliament to pursue and are still political.



# Recommendations

## Recommendation 1

**4.76** 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.

## Recommendation 2

**5.70** 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.

## Recommendation 3

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

## Recommendation 4

**6.72** 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'.

### **Recommendation 5**

**7.81** 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.

### **Recommendation 6**

**7.84** 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.

### **Recommendation 7**

**7.85** 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.

### **Recommendation 8**

**7.86** 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.



## **Recommendation 9**

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

## **Recommendation 10**

**7.94** 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'.

## **Recommendation 11**

**7.95** 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.

## **Recommendation 12**

**7.96** 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.

### **Recommendation 13**

**7.97 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.**

# Chapter 1

## Background to the inquiry

### Establishment of inquiry

1.1 On 23 June 2004, the Senate referred to the Finance and Public Administration References Committee for inquiry and report by 27 October 2004, the following matters:

- (a) the level of expenditure on, and the nature and extent of, government advertising since 1996;
- (b) the processes involved in decision-making on government advertising, including the role of the Government Communications Unit and the Ministerial Committee on Government Communications;
- (c) the adequacy of the accountability framework and, in particular, the 1995 guidelines for government advertising, with reference to relevant reports, guidelines and principles issued by the Auditor-General and the Joint Committee of Public Accounts and Audit;
- (d) the means of ensuring the ongoing application of guidelines based on those recommended by the Auditor-General and the Joint Committee of Public Accounts to all government advertising; and
- (e) the order of the Senate of 29 October 2003 relating to advertising projects, and whether the order is an effective mechanism for parliamentary accountability in relation to government advertising.

1.2 Parliament was prorogued on 31 August 2004 and, in accordance with Senate Standing Order 38 (7), the Committee presented an interim report on its inquiry on 1 September 2004. The report noted that the Committee had received nine submissions on the terms of reference, and that the Committee would review the need for the inquiry in the new Parliament.

1.3 On 18 November 2004, the Senate re-established the inquiry into government advertising and accountability with amendments to term of reference (a). The revised term of reference (a) specifies that the inquiry is to focus on 'Commonwealth government advertising', and accordingly reads as follows:

- (a) the level of expenditure on, and the nature and extent of, Commonwealth government advertising since 1996.

1.4 The other terms of reference were unchanged.

### ***Changes to terms of reference***

1.5 The Special Minister of State, Senator the Hon. Eric Abetz, suggested that the change in the terms of reference was an attempt by the Committee to exclude examination of advertising conducted by State Labor Governments.<sup>1</sup>

1.6 This claim is not sustainable. As was pointed out by the Chair of the Committee, Senator Michael Forshaw, the original terms of reference (b), (c), (d) and (e) were already clearly directed towards *Commonwealth* government expenditure on advertising. They specifically referred to Commonwealth bodies such as the Government Communications Unit, the Ministerial Committee on Government Communications, to the principles recommended by the Auditor-General and the Joint Committee of Public Accounts and Audit to the Commonwealth government, and to the order of the Senate of 29 October 2003. The alteration to term of reference (a) merely served to *clarify* the original intent of the inquiry, not to change it.<sup>2</sup>

1.7 In any case, in the first phase of the inquiry the Committee had noted that the phrase 'government advertising' in the original terms of reference could be construed as extending to state government advertising. Because of this, the Committee wrote to each premier and chief minister, and to the leader of the opposition in each state and territory, inviting them to make a submission to the inquiry. There was no response to these invitations, except from the Chief Minister of the Australian Capital Territory, who indicated that his government did not wish to make a submission.<sup>3</sup>

1.8 Finally, the revised terms of reference were ultimately adopted by the Senate without debate. It is thus demonstrably the case that the Committee did not seek to exclude submissions from the states and territories, and did not arbitrarily curtail the original intent of the inquiry.

### ***Conduct of inquiry***

1.9 The inquiry referred on 18 November 2004 was scheduled to report by 22 June 2005. On 16 June 2005, the Senate extended the time to report to 10 November 2005. On 11 October 2005, the Senate extended the time to report until 1 December 2005.

1.10 The submissions received to the original inquiry were treated as evidence to the re-established inquiry. A full list of submissions received is provided at Appendix 1.

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1 Senator the Hon. Eric Abetz, *Submission 9a*, p.1; *Committee Hansard*, 19 August 2005, p. 77.

2 Senator Michael Forshaw, *Committee Hansard*, 19 August 2005, p. 81.

3 Senator Michael Forshaw, *Committee Hansard*, 19 August 2005, p. 81.

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1.11 The Committee held public hearings on 18 August 2005, 19 August 2005, and 7 October 2005. A list of witnesses who appeared before the Committee is provided at Appendix 2.

### **Government cooperation with inquiry**

1.12 Although almost all departments conduct government advertising campaigns, none of the 'line' departments made submissions to the Committee's inquiry. The Department of the Prime Minister and Cabinet (PM&C) made a submission which described the Central Advertising System (CAS), the role of the Government Communications Unit (GCU) and the Ministerial Committee on Government Communications (MCGC), and briefly addressed the terms of reference.

1.13 Officers from the GCU in PM&C appeared at the initial public hearings of the Committee on behalf of all government departments. This caused some difficulty for the Committee, as these officers were unable to directly answer questions posed about the development of particular government advertising campaigns within other departments.

1.14 This experience highlighted for the Committee one of the issues relating to accountability in government advertising. This is the difficulty of identifying exactly which department, unit or minister within government is finally accountable for the decision to expend money on government advertising, and which department, unit or minister is accountable for the final shape and content of the campaigns. These matters will be discussed in detail in the report.

1.15 Subsequently some departments gave evidence on specific campaigns at a public hearing and others agreed to take questions on notice from the Committee. The Committee has also made use of evidence relevant to the inquiry taken by Senate Committees during the Supplementary Estimates hearings in October and November 2005.

### **Evidence from Minister Abetz**

1.16 Senator Eric Abetz made two submissions to the Committee's inquiry in his capacity as Special Minister of State and Chairman of the MCGC, and subsequently gave evidence at two of the Committee's public hearings.

1.17 The Committee notes that it is not all that common for Ministers to appear before Senate Committees (except Estimates hearings). The Committee therefore appreciates Senator Abetz's active participation in this inquiry.

1.18 However, the Committee is disappointed and perturbed at the personal attacks against other witnesses to the inquiry which comprised a large part of Senator Abetz's contribution. These attacks were unwarranted, often factually wrong, and ran the risk of bringing the Committee process itself into disrepute. In particular, the Committee notes that the notion that holding political opinions or engaging in political activism makes a witness biased or irrelevant is offensive and intolerant.

1.19 In several cases, Senator Abetz attempted to discredit the evidence of other witnesses, by alleging that partisan political affiliation on their part influenced their evidence. For example, he accused Dr Sally Young of having been a Labor Ministerial staffer, a campaign worker for a Labor MP in the 2001 federal election and a media adviser at Labor campaign headquarters during the 2002 Victorian election. On the basis of this history, according to Senator Abetz, Dr Young is to be regarded as 'a hard-core pro-Labor ideologue' which is 'why she is criticising the Howard Government'.<sup>4</sup>

1.20 In fact, Dr Young is a lecturer in the Media and Communications Program at the University of Melbourne and, as an expert in the field of government advertising, has published extensively.<sup>5</sup> In response to this extraordinary *ad hominem* attack from Senator Abetz, Dr Young noted that she had never been a Labor Ministerial staffer and that her total work history with the Australian Labor Party had totalled three months (two months as a staffer with a Labor MP in 2001 and one month as an unpaid volunteer during the 2002 Victorian election).<sup>6</sup>

1.21 Senator Abetz also failed to mention that when Dr Young worked as a public servant, part of her duties involved writing material for ministerial briefs and speech notes for then Liberal Party MP and Minister, Bronwyn Bishop, and that she had worked briefly in the office of a National Party MP.<sup>7</sup>

1.22 The Committee is also particularly concerned about the intemperate attacks made by Senator Abetz on the Clerk of the Senate, Mr Harry Evans, who also made several submissions to the inquiry.

1.23 Senator Abetz disagreed with aspects of the Clerk's evidence, calling it variously 'scurrilous', 'unprecedented', 'highly regrettable', 'unsupported', and 'slandorous'.<sup>8</sup> While Senator Abetz is entitled to critically analyse any evidence, that should be done without personal attacks. Rather than addressing the issues raised in this evidence, however, Senator Abetz implied that the Clerk had no business to be making a submission to the inquiry. He said:

I would remind him of what Odger's requires of him as Clerk of the Senate – that is, that he is the principal adviser in relation to the proceedings of the Senate. They are the technical proceedings of the Senate, not whether or not

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4 Senator the Hon. Eric Abetz, *Submission 9a*, p. 8.

5 Dr Young's publications include: *The Persuaders: Inside the Hidden Machine of Political Advertising*, Pluto Press, Melbourne 2004; 'Killing competition: Restricting access to political communication channels in Australia', *AQ: Journal of Contemporary Analysis*, vol.75 (3), May-June 2003; and, 'Spot on: The role of political advertising in Australia', *Australian Journal of Political Science*, vol.37 (1), March 2002.

6 Dr Sally Young, *Submission 3a*, pp 7-8.

7 Dr Sally Young, *Submission 3a*, p. 7; *Committee Hansard*, 18 August 2005, p. 1.

8 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 79; *Submission 9a*, pp 20-22.

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a government should have its budget blocked, whether a minister ought be censored or whether legislation ought be passed. If you read Odger's, in terms of the proceedings of the Senate, it is quite clear that it is the technical aspects.<sup>9</sup>

1.24 The Committee absolutely rejects this suggestion by the Minister that the Clerk of the Senate should be restricted to commenting and advising on merely technical or procedural matters.

1.25 The right of the Clerks of both Houses of Parliament to make submissions to parliamentary inquiries is enshrined in the *Parliamentary Services Act 1999*. Section 19 of the Act states that:

the Clerk of either House of the Parliament is not subject to direction by a Presiding Officer in relation to any advice sought from, or given by, the Clerk with respect to that House or any of its committees or members.

1.26 Mr Evans himself noted that an important part of his role as Clerk of the Senate is to assist the Senate and its committees to carry out their legislative functions. He said:

One of the legislative functions of the Senate and its committees is to establish and improve oversight and scrutiny measures to scrutinise the activities of the executive government and the expenditure of public moneys. In assisting the Senate and its committees to perform that function, I frequently make recommendations for, and comment on, accountability and scrutiny mechanisms and the enhancement of existing mechanisms. The comments and the recommendations I make might not necessarily always be agreeable to the executive government, but that is not a factor which I can allow to influence the recommendations I make, which are based on assisting the Senate and its committees as legislative bodies.<sup>10</sup>

1.27 The Committee is highly disturbed by the Minister's suggestion that it is inappropriate for the Clerk to make substantive comment about the accountability of the executive to the Parliament on particular issues. This smacks of an attempt to intimidate the Clerk into not providing advice which is discomfiting to the government of the day. It is not a mark of an open and liberal democracy for criticisms of government to be met with slander, intimidation and the attempted discrediting of reputations.

1.28 Quite apart from the abuse of the Committee's processes involved in peddling falsehoods disguised as evidence, the Committee is concerned about whether Senator Abetz's widely publicised attacks on the integrity of witnesses may serve to inhibit ordinary Australians from participating in the Senate's inquiries in future.

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9 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 79.

10 Mr Harry Evans, *Committee Hansard*, 19 August 2005, p. 1.

1.29 As Professor Charles Sampford, another witness who was personally and inaccurately criticised by Senator Abetz, said:

I did not come here to make partisan comments but to address a genuine problem arising from a temptation to abuse power that goes directly to the heart of our democracy. I did not come to Canberra to pick a fight with Senator Abetz and I did not make a criticism of any campaign from either side of politics ... I must say that I am taken aback at the comments of Senator Abetz as I have to date always been treated with respect by parliamentary committees and their members ... I note that Senator Abetz seeks to dismiss some of the other submissions because of the alleged political affiliations of those making them ... I believe that the Committee should examine all submissions on their merits. I am not the issue and I do not intend to be the issue. I take it that the same holds true of others making submissions.<sup>11</sup>

1.30 Senate Committee inquiries are utterly dependent on the citizens who volunteer their time, energy and expertise to write submissions and to participate in public hearings. It is in the public interest for Australians to feel free to come before the Senate and freely give their opinions.

1.31 This Committee records, in the strongest possible terms, its abhorrence of the bullying and personal vilification by Senator Abetz and one of his staff<sup>12</sup> of those who contributed to this Senate inquiry. Whatever one's view of the validity or merits of particular arguments presented to the Committee, there is no excuse for engaging in personal attacks on witnesses. It is even more reprehensible when conducted by a Minister of the Crown. Such attacks add nothing to the debate, reflect badly on the Cabinet and would seem designed to avoid serious engagement with the issues under scrutiny.

### **What is government advertising?**

1.32 Government advertising or information campaigns are an accepted means by which governments inform the public about new initiatives, policies or programs, and advise people how they might benefit or what they need to do to comply with new requirements. The Commonwealth government is one of the largest national advertisers in Australia.<sup>13</sup>

1.33 Government advertising is divided into 'non-campaign' advertising and 'campaign' advertising. Non-campaign advertising is usually non-contentious and includes one-off advertisements for job vacancies in Australian government

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11 Professor Charles Sampford, *Submission 4a*, p. 1.

12 The Committee is aware of ongoing attacks upon Dr Young by Senator Abetz's staffer, Peter Phelps, in [www.crikey.com.au](http://www.crikey.com.au).

13 See Government Communications Unit website, <http://www.gcu.gov.au/code/cas/index.html> (accessed October 2005).



organisations, public notices and tenders. Campaign advertising includes the production and dissemination of material to the public about government programs, policies and matters which affect their benefits, rights and obligations.<sup>14</sup> Recent examples of Australian government campaign advertising include the GST campaign (A New Tax System campaign), the Pharmaceutical Benefits campaign, the Smart Traveller campaign,<sup>15</sup> and the WorkChoices campaign promoting workplace relations reforms.

1.34 There are only very limited restrictions on government advertising in legislation. The *Commonwealth Electoral Act 1918* sets out certain requirements for identifying the source of authorisation of electoral advertisements.<sup>16</sup> The *Broadcasting Services Act 1992* imposes conditions on broadcasters in relation to broadcasts of 'political matter' or 'matter relating to a political subject or current affairs'.<sup>17</sup> The effect of the conditions is that such material must be broadcast with information that identifies the relevant political party or the relevant advertiser (eg. 'Authorised by the Australian Government'), the location of the office and the person authorising the advertisement.<sup>18</sup>

### **Need for the inquiry**

1.35 The Committee received no evidence expressing concern about 'non-campaign advertising by the Commonwealth government, and no evidence which disputed the right or the propriety of governments conducting 'campaign' advertising under a range of circumstances.

1.36 In his Research Note for the Parliamentary Library, Dr Richard Grant noted that:

At one level, government advertising has an important democratic function. The public has a right to be informed about the programs which their taxes fund. Equally, governments have a right to establish a framework for delivering this information, subject to parliamentary scrutiny.<sup>19</sup>

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14 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995 [updated only to reflect changes in titles and names], p. 1.

15 Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2.

16 Senate Finance and Public Administration Legislation Committee, *Report on Charter of Political Honesty Bill 2000 [2002]; Electoral Amendment (Political Honesty) Bill 2000 [2002]; Provisions of the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000; Auditor of Parliamentary Allowances and Entitlements Bill 2000 [No.2]*, August 2002 [hereafter, Political Honesty Report], p. 100.

17 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 101; see also *Broadcasting Services Act 1992*, ss 2 (1).

18 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 101.

19 Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 1.

1.37 Dr Graeme Orr, senior lecturer in law at Griffith University, said in his submission that:

No one suggests that governments should not advertise, or that they should not employ mass media forms and modern PR techniques. In an age saturated with information and images, public services need to be explained and promoted in ways that keep them accessible and relevant. There is nothing inherently wrong in using 'sexy' media to convey a message, provided the message is: (a) inherently justified on public service principles and (b) when taken in context with other mass media campaigns at the time, and against the backdrop of partisan contention [sic] issues, is not immodest in size, cost or tenor.<sup>20</sup>

1.38 The problem with government advertising arises when the distinction between legitimate government advertising for public policy purposes and political advertising for partisan political advantage is blurred. In other words, the problem arises when governments use or are perceived to use taxpayer funds to gain political advantage through promoting themselves, rather than to meet the genuine information needs of citizens.

1.39 Over a number of years, concern has been expressed by members and Senators on all sides of politics that incumbent governments have succumbed to this temptation.

1.40 In 1995, the then Leader of the Opposition, the Hon. John Howard MP criticised the Keating Labor government for its pre-election advertising program, saying that 'there is clearly a massive difference between necessary Government information for the community and blatant Government electoral propaganda'.<sup>21</sup> In a press release, Mr Howard stated that the Shadow Cabinet had agreed that 'in Government, we will ask the Auditor-General to draw up new guidelines on what is an appropriate use of taxpayers' money in this area'.<sup>22</sup> Despite being in government for over 9 years, this has not occurred.<sup>23</sup>

1.41 In turn, the Howard government has been criticised by the Labor party for its use of taxpayer funded advertising of programs or policies such as the goods and services tax.<sup>24</sup> A number of inquiries in the last ten years have recommended reforms

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20 Dr Graeme Orr, *Submission 2*, p. 6.

21 Press Release (Hon. John Howard MP), *Auditor-General to examine Government advertising*, 5 September 1995.

22 Press Release (Hon. John Howard MP), *Auditor-General to examine Government advertising*, 5 September 1995.

23 Dr Sally Young, *Submission 3*, p. 8.

24 Senator the Hon. John Faulkner, *Senate Hansard*, 29 June 2000, p. 16140.

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to the guidelines on government advertising, in light of concerns about particular campaigns.<sup>25</sup>

1.42 The Committee notes then that there are two aspects to this inquiry. The first is whether in fact the distinction between government advertising for public policy purposes and political advertising for partisan political advantage has been blurred, particularly by the Commonwealth government since 1996, and if so, what can be done about it. The second is whether the guidelines and accountability framework for government advertising are sufficiently robust to protect against this kind of misuse, or even minimise the potential for abuse or misuse.

### *Nature of Commonwealth government advertising since 1996*

1.43 There was dispute before the Committee about whether there had in fact been misuse of government advertising at the Commonwealth level since 1996.

1.44 The majority of submissions made to the inquiry expressed the view that there is a 'problem' with the use of government advertising by both state and Commonwealth governments.<sup>26</sup> The misuse of government advertising was said to have occurred on both sides of politics, with the trend escalating over the past decade.

1.45 Dr Sally Young, lecturer, Media and Communications Program at the University of Melbourne argued that:

incumbent Australian governments – both state and federal – are increasingly using government advertising as pseudo-political advertising to shore up their re-election chances.<sup>27</sup>

1.46 Mr Harry Evans, Clerk of the Senate, remarked that:

There is a widespread perception that government advertising campaigns are employed for party-political and electoral advantage. The perception is that the party in government uses taxpayer-funded government advertising campaigns as a supplement to party-political advertising to achieve favourable perception of the party in the electorate, and favourable election results.<sup>28</sup>

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25 Auditor-General, *Taxation Reform: Community Education and Information Programme*, Audit Report No. 12, 29 October 1998; Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising (Report 377)*, September 2000; Senate Finance and Public Administration Legislation Committee, Political Honesty Report, August 2002.

26 See Public Health Association, *Submission 1*; Dr Graeme Orr, *Submission 2*; Dr Sally Young, *Submission 3*; Professor Charles Sampford, *Submission 4*; Mr Harry Evans, *Submission 6*; Professor Stephen Bartos, *Submission 7*; and Professor Tony Harris, *Submission 8*.

27 *Submission 3*, p. 3.

28 *Submission 6*, p. 2.

1.47 In a similar vein, Dr Graeme Orr,<sup>29</sup> Professor Charles Sampford,<sup>30</sup> and Professor Stephen Bartos<sup>31</sup> all commented on the 'spike' in government advertising in election years which, according to Dr Orr, 'is the most damning circumstantial evidence imaginable of the fact that advertising campaigns are being used for political effect'.<sup>32</sup>

1.48 By contrast, Senator Abetz strongly disputed the views expressed by these witnesses to the inquiry. He rejected both the claims, at least as they pertain to the current government, that some government advertising is party political and that there is a spike in government advertising before elections.<sup>33</sup>

1.49 He argued that the campaigns run by the Coalition government since 1996 have been very similar to the campaigns run by the federal Labor government in the eight years prior to 1996. He said:

It is notable that critics of the Government's current information program have been loathe to actually nominate campaigns that they would eliminate if they were in a position of power to do so. On the contrary, they have been at pains to state that Government advertising is important. Yet the apparent contradiction between their 'in principle' support and their opposition to the practical application of that support remains unresolved.<sup>34</sup>

### *Adequacy of accountability framework*

1.50 As noted earlier, the Committee considers that any justification of the need for reform of the accountability framework does not depend upon establishing absolutely that there has been misuse of government advertising for party political purposes by the current federal government.

1.51 The question is rather whether the current guidelines and decision making practices are suitable for modern practices and are sufficiently robust to prevent misuse by any incumbent government. This is a question which can be resolved as a matter of good public administration and integrity, independently of proven instances of misuse.

1.52 Again, evidence to the Committee conflicted on the question of the adequacy of the existing accountability framework for government advertising.

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29 *Submission 2*, p. 4.

30 *Submission 4*, p. 1.

31 *Submission 7*, p. 3.

32 *Submission 2*, p. 4.

33 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 78.

34 Senator the Hon. Eric Abetz, *Submission 9*, p. 2.

1.53 The majority of submissions argued that a number of features of current practice give rise for concern about accountability in this area. These features include the extent of disclosure of expenditure and Parliamentary control over appropriations, the comprehensiveness of guidelines for government information activities, and the enforceability of those guidelines.

1.54 For example, Dr Sally Young and The Agency Register commented on the difficulty of establishing with any certitude what the government has spent on advertising in any given financial year.<sup>35</sup> Mr Harry Evans noted that the controversy over the government's advertising campaign for its industrial relations changes, the WorkChoices campaign, has highlighted the limits of parliamentary control over how much money is available for particular purposes or the purposes for which money is to be spent.<sup>36</sup> This indicates that the appropriations process itself may provide little restraint on government spending on advertising. And finally, a number of submissions commented upon the need to adopt stricter guidelines for government advertising, with monitoring of those guidelines by an independent body or the Auditor-General.<sup>37</sup>

1.55 Senator Abetz, however, rejected the view that there are areas of concern in the current accountability framework covering government advertising. He maintained that current levels of disclosure of information about the nature of and expenditure on government advertising campaigns are sufficient, and that the current guidelines are adequate and proposed alternatives 'unworkable'.<sup>38</sup>

## Structure of the Report

1.56 In the next two chapters of the report, the Committee outlines expenditure on government advertising and the nature of the campaigns run since 1996. Chapter 2 attempts to calculate total expenditure on government advertising in the period 1996-97 to 2003-04. The difficulty of making this calculation highlights potential problems with the current disclosure and reporting of that expenditure. In Chapter 3, the Committee outlines the nature of the advertising campaigns run since 1996. It considers what threshold questions would need to be satisfied in order to justify the considerable expenditure of public funds on these activities.

1.57 In Chapter 4, the Committee considers the process of appropriating funds for expenditure on government advertising in the context of the recent WorkChoices campaign and the High Court challenge to its legality. This chapter highlights two major issues. The first is the whole question of Parliamentary control over government

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35 Dr Sally Young, *Submission 3a*; The Agency Register, *Submission 10a*.

36 Mr Harry Evans, *Submission 6b* and *Submission 6c*.

37 See, for example, Dr Graeme Orr, *Submission 2*; Dr Sally Young, *Submission 3*; Professor Charles Sampford, *Submission 4*; Mr Tony Harris, *Submission 8*.

38 Senator the Hon. Eric Abetz, *Submission 9*.

expenditure, and how the current appropriations process contributes to the overall weakness in the accountability framework for government advertising. The second is the extent to which this government is prepared to use taxpayer's money to fund advertising widely perceived to be blatantly political.

1.58 In Chapter 5, the Committee outlines the administrative processes for decision-making on Commonwealth government advertising and highlights the roles respectively of the Government Communications Unit within the Department of the Prime Minister and Cabinet and the Ministerial Committee on Government Communications.

1.59 The question of the adequacy of the current guidelines for government advertising, the 1995 *Guidelines for Australian Government Information Activities: Principles and Procedures*, is examined in Chapter 6. The Committee analyses suggested revised guidelines and principles issued by the Auditor-General in 1998, and the Joint Committee of Public Accounts and Audit in 2000.

1.60 In Chapter 7, the Committee considers the question of the enforceability of any revised guidelines and examines other proposals for strengthening the accountability framework, including caps on expenditure on government advertising and improved disclosure provisions. In that context, the Committee discusses the order of the Senate of 29 October 2003 and the new accountability framework adopted in Canada, and makes recommendations for strengthening the transparency and accountability of the system.

## Chapter 2

### Expenditure on Commonwealth government advertising since 1996

#### Expenditure and trends

2.1 It is difficult to give a precise answer to the question of the level of expenditure on Commonwealth government advertising since 1996.

2.2 According to the Department of the Prime Minister and Cabinet (PM&C), 'since financial year 1996-97 expenditure through CAS [Central Advertising System] has totalled \$929 million'.<sup>1</sup>

2.3 In evidence given to the Committee in August 2005, the Special Minister of State, Senator the Hon. Eric Abetz, also stated that \$929 million had been spent by the government 'between 1996 and 2004'.<sup>2</sup>

2.4 The figure of \$929 million refers to the nominal government expenditure on advertising over the period 1996-97 to 2003-04, as presented in table 2.1. The table derived from a Parliamentary Library research note published in June 2004,<sup>3</sup> and the Department of the Prime Minister and Cabinet *Annual Report 2003-04*, provides the breakdown of that expenditure.<sup>4</sup> It also shows the conversion of that nominal expenditure into 2003-04 prices.

2.5 In 2003-04 prices, the total expenditure on government advertising through the Central Advertising System for the period 1996-97 to 2003-04 was \$1.014 billion.

2.6 For the period 1995-96 to 2004-05, table 2.2 provides a breakdown of advertising expenditure by media type. This table presents expenditure disaggregated by newspapers (press) into national, metropolitan, suburban and regional and rural categories, and by radio and television. It represents the most comprehensive set of data currently available on government advertising, but it is inadequate for reasons outlined in later sections of this chapter.

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1 Department of the Prime Minister and Cabinet, *Submission 5*, p. 4. The department has confirmed that \$929 million was expended in the period 1996-97 to 2003-04.

2 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 77.

3 Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2.

4 The Committee notes that there is a variation of \$5 million in the figures arrived at by adding the amounts from these sources, and the total provided in evidence by the GCU and the Minister.

**Table 2.1: Government advertising expenditure 1996-2004**

	Nominal \$million	2003-04 prices \$million
1996-97	46	55
1997-98	76	89
1998-99	79	92
1999-00	211	240
2000-01	156	170
2001-02	114	122
2002-03	99	103
2003-04	143	143
<b>TOTAL</b>	<b>924</b>	<b>1,014</b>

Source: *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2 and the Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, Appendix 3.

**Table 2.2: Government advertising expenditure by type 1995-2005**

Year	National Press	Metropolitan Press	Suburban Press	Regional & Rural Press	Total Press	Total Radio	Total Television
1995-1996	\$1,122,316	\$6,561,126	\$329,298	\$4,942,399	\$17,174,937	\$4,797,445	\$22,117,907
1996-1997	\$902,459	\$4,957,851	\$104,276	\$3,414,330	\$11,115,501	\$4,886,653	\$11,095,737
1997-1998	\$1,530,630	\$10,252,328	\$376,127	\$7,836,491	\$22,765,408	\$6,824,281	\$24,987,883
1998-1999	\$1,166,511	\$10,815,985	\$610,498	\$2,718,053	\$21,640,157	\$6,383,727	\$23,712,917
1999-2000	\$2,173,474	\$22,683,598	\$5,504,866	\$29,969,099	\$64,282,310	\$15,649,763	\$100,602,852
2000-2001	\$1,822,583	\$15,075,546	\$2,658,917	\$14,054,503	\$35,288,521	\$15,306,422	\$74,720,627
2001-2002	\$1,139,841	\$10,182,982	\$1,316,917	\$7,654,513	\$21,292,508	\$7,579,774	\$46,450,199
2002-2003	\$407,028	\$6,335,529	\$521,008	\$4,186,833	\$12,192,161	\$5,243,663	\$27,357,719
2003-2004	\$954,692	\$9,961,453	\$512,392	\$9,182,579	\$21,909,997	\$6,196,448	\$59,077,350
2004-2005	\$1,477,246	\$9,933,890	\$706,514	\$7,089,397	\$21,149,718	\$7,454,772	\$43,199,533

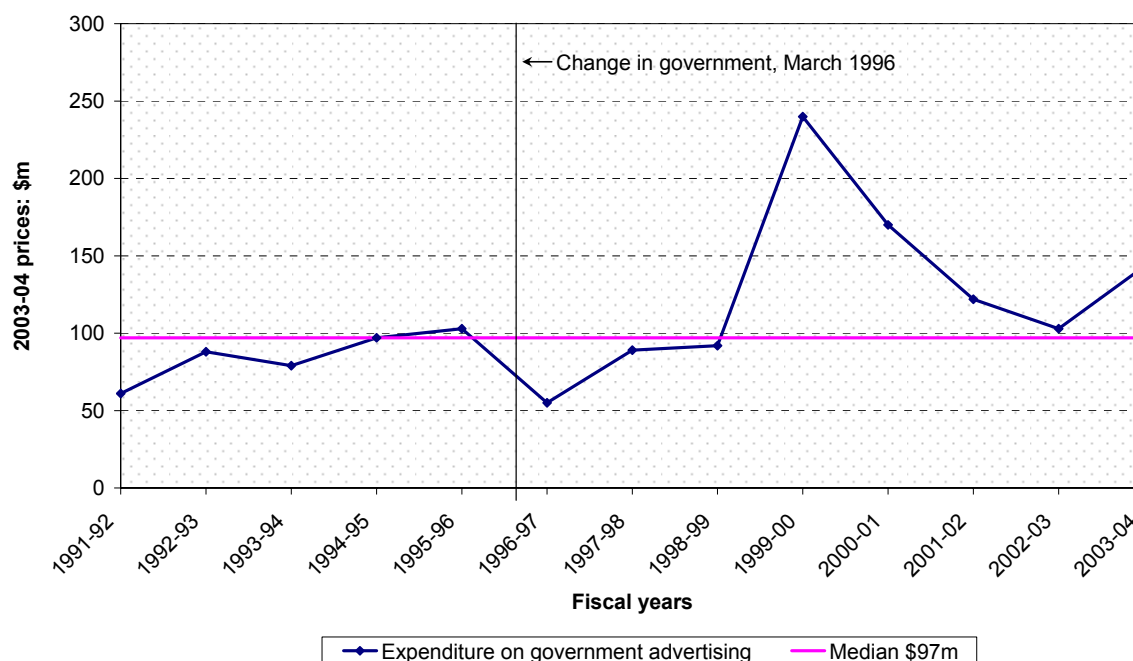
Note: As it is too difficult to separate out campaigns less than \$100,000, all campaigns placed through the Central Advertising System have been included. Total Press at column (a) above also includes expenditure for NESB, Indigenous, Overseas, Street press, Kids media and Trade press. 1995-1998 expenditure also includes magazines.

Source: Department of Prime Minister and Cabinet, answers to questions on notice, original dated 13 September 2005 and revised 29 November 2005. See also Appendix 8 of this report.



2.7 The following figure illustrates the pattern of Commonwealth government advertising expenditure through the Central Advertising System between financial years 1991-92 and 2003-04.

**Figure 1—Government advertising expenditure 1991 to 2004**



Source: *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2 and the Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, p. 94.

2.8 The figure shows that expenditure on Commonwealth government advertising has climbed steadily since 1991-92. Between 1991-92 and 1995-96, the average yearly advertising expenditure through the Central Advertising System was \$85.6 million. Between 1996-97 and 2003-04, the average yearly expenditure on advertising was \$126.75 million.

2.9 The median expenditure over the whole period from 1991-92 to 2003-04 was \$97 million. Expenditure by the Howard government since 1996-97 thus averages \$29.75 million more than the median; expenditure by the Keating Labor government prior to 1996-97 averaged \$11.4 million less than the median. Excluding the bi-partisan advertising campaigns for Defence Force Recruitment, the next nine most expensive advertising campaigns since 1991 have been conducted by the Howard government.

2.10 The overall cost of Commonwealth government advertising is also tending to escalate each year. For example, advertising expenditure in the three years from 1996-97 to 1998-99 was \$55 million, \$89 million and \$92 million respectively. In 1999-00, there was a very large jump in expenditure to \$240 million, which is accounted for by the GST advertising campaign. Expenditure since that time, however, has never

dropped below \$100 million per year. In the four years from 2000-01 to 2003-04, yearly expenditure was \$170 million, \$122 million, \$103 million and \$143 million respectively.

2.11 In considering the figures above, it is important to understand exactly what proportion of the government's expenditure on advertising they include. In the next section, the Committee outlines some of the methodological issues involved in drawing an accurate picture of the total expenditure on government advertising.

### **Methodological issues in reporting**

2.12 The submission from the Department of the Prime Minister and Cabinet states that the amount of \$929 million is the expenditure on government advertising that has come through the Central Advertising System (CAS).<sup>5</sup> Similarly, advertising expenditure reported in the annual reports of PM&C is expenditure which is placed through CAS.<sup>6</sup>

2.13 All Australian Government departments and agencies subject to the *Financial Management and Accountability Act 1997* are required to place their advertising through the Central Advertising System. The purpose of this system is to consolidate government advertising expenditure and to secure the best possible media discounts and benefits, as well as to ensure that government departments do not compete against each other for media time and space.<sup>7</sup>

2.14 It is important to note, however, that the money expended through CAS is not necessarily the total expenditure on any particular advertising campaign. It is only what Mr Greg Williams, First Assistant Secretary, People, Resources and Communications Division, PM&C, has called the 'media spend' on the campaign.<sup>8</sup>

2.15 In evidence to the Finance and Public Administration Legislation Committee at Senate Estimates in May 2004, Mr Williams, was asked to provide the 'global budget' for then current government advertising campaign activity. He said:

I cannot run through the global budget, because that is not information the GCU has, but I can run through the proposed media spend ... The other elements of the campaign are contract arrangements between the

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5 Department of the Prime Minister and Cabinet, *Submission 5*, p. 4.

6 See, for example, Department of the Prime Minister and Cabinet, *Annual Report 2002-03*, p.77; and, Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, p. 94.

7 Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, p. 147; *Submission 5*, p. 1.

8 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 25 May 2004, p. 132.

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departments running the campaigns and the various suppliers. We do not hold details of those contractual amounts.<sup>9</sup>

2.16 When asked to specify the elements of advertising campaigns that were not included in the budget for the 'media spend', Mr Williams said that with an advertising campaign there will be costs for the advertising agency and for producing the material, market research involving qualitative and quantitative focus group testing, and in some cases public relations consultants.<sup>10</sup>

2.17 In other words, as the Committee confirmed at a subsequent public hearing, the expenditure reported through the Central Advertising System relates *only* to the cost of buying media time and space to place the advertisements.<sup>11</sup> The costs of market research, creating and producing the advertisements themselves, producing and distributing other advertising material such as booklets, posters, and mail-outs, testing the material, and evaluating the effectiveness of the campaign are all separately managed and recorded through the budgets of individual departments.

2.18 When these amounts are included in a total advertising expenditure figure, the overall amount will rise considerably. The Committee examined the annual reports of a number of departments to gather an indication of the difference that might be made by reporting the 'global budget' of government advertising.

2.19 In relation even to an individual campaign, the difference can be significant. For example, Mr Williams gave evidence at Senate Estimates, saying that the proposed 'media spend' for the campaign called *Strengthening Medicare* was \$15.7 million.<sup>12</sup> This amount referred only to the cost of buying media space for the advertisements. The Department of Health and Ageing, in response to a question on notice from Senator Murray, indicated that the estimated or contract cost of the campaign was \$19.2 million. In that answer, the department stated that the two advertising agencies to carry out the campaign were Universal McCann, who would provide the media slots, and Whybin/TBWA, who would actually create the advertisements.<sup>13</sup>

2.20 The department's *Annual Report 2003-04* indicates that the total cost of the campaign was actually \$21.5 million. This cost is comprised of the following elements:

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9 *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 25 May 2004, p. 132.

10 *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 25 May 2004, p. 133.

11 Mr Greg Williams, *Committee Hansard*, 7 October 2005, p. 14.

12 *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 25 May 2004, p. 133.

13 Department of Health and Ageing, answer to question on notice, 18 May 2004 (received 30 May 2005).

**Table 2.3: Total expenditure on *Strengthening Medicare* campaign**

<b>Organisation</b>	<b>Service Provided</b>	<b>Paid \$ (GST incl.)</b>
Universal McCann	Media placement and advertising	16, 930, 383
Whybin/TBWA & partners	Advertising services	2, 824, 742
Worthington di Marzio	Concept research and development	210, 320
Worthington di Marzio	Benchmark, tracking and evaluation	90, 200
Australia Post	Distribution and postage of Strengthening Medicare booklet	1, 449, 708
	<b>Total</b>	21, 505, 353

Source: Department of Health and Ageing, *Annual Report 2003-04*, pp 452-461.

2.21 In addition to this expenditure, the Department of Health and Ageing spent another \$3 million on Medicare 'non-campaign' advertising.<sup>14</sup>

2.22 While it is clear from this example that by far the most expensive part of an advertising campaign is the purchase of media placement, it is also clear that the creation of advertising material and extensive direct mailing as part of a campaign adds millions of dollars to the total cost. These costs are not reflected in the expenditure reported under the CAS, and thus belie the claim made by Senator Abetz in evidence to the Committee that the \$929 million figure represents what 'the Australian government spent ... on government information programs'.<sup>15</sup>

2.23 The Committee notes that it should be possible to compile a complete account of expenditure on government advertising by working through each department and agency's annual report, and adding the reported costs of different elements of each campaign.

2.24 There are, however, methodological difficulties here as well. In particular, it is difficult readily to distinguish which market research and consultancy costs pertain to advertising or information campaign expenditure, and which do not; and, departments do not report their expenditure in a way that facilitates effective comparison of spending between departments.

### **Distinguishing market research and consultancy costs**

2.25 Departmental annual reports contain an appendix titled 'Advertising and Market Research', and another appendix titled 'Consultancies'.

14 Department of Health and Ageing, *Annual Report 2003-04*, p. 458.

15 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 77.

2.26 From the information contained in the Department of Health and Ageing's *Annual Report 2003-04* in appendix 6, Advertising and Market Research, it appears that the department's total 'media spend' in that year through the CAS was approximately \$34 million. If one adds all the other expenditure reported in that appendix, thus assuming that all the reported market research pertains to advertising costs, then the department's total advertising expenditure for the year was approximately \$44 million.

2.27 However, it is not clear from the report that in fact all the market research costs were related to advertising campaigns. For example, market research described as 'National Illicit Drugs Youth Campaign – Concept Testing Research' (\$237,699) and 'Annual Evaluation of the National Tobacco Campaign' (\$176,000) appears to be advertising expenditure. On the other hand, market research titled 'Consultation with NHMRC stakeholders on the impact of privacy regulations and the preparation of detailed analysis' (\$258,331) or 'Qualitative research evaluating the bowel cancer screening pilot with consumers and general practitioners in the Pilot sites' (\$53,760) appears not to pertain to advertising activity.

2.28 Conversely, at least some of the consultancies listed in appendix 7 were for evaluations of advertising campaigns and would not be captured by an approach which merely added up the total expenditure reported in appendix 6.<sup>16</sup> There seems no point at which a total figure for the department's advertising expenditure is provided.

2.29 It is likewise difficult to track the reporting of advertising expenditure in the Department of the Prime Minister and Cabinet's annual report. The *Annual Report 2003-04* states that appendix 3, Advertising and Market Research, will include an itemised listing of payments of \$1,500 and above made to external consultants engaged by the department to provide advertising and market research services.<sup>17</sup>

2.30 However, the figures provided in that appendix do not include a raft of payments to external consultants who were engaged to provide research and other advertising services relating to the National Campaign for the Elimination of Violence Against Women.<sup>18</sup> These are listed separately under consultancies.

2.31 The Committee attempted to ascertain the basis upon which some external consultants who provide market research related to advertising are listed under the appendix on 'advertising and market research' and others are listed under the appendix on 'consultancies'.

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16 See, for example, 'Evaluation of the Regional Health Strategy Communication Strategy' and 'Evaluation of the "Informing Consumers of the Real Cost of PBS Medicines" Initiative', Department of Health and Ageing, *Annual Report 2003-04*, p. 467.

17 Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, p. 147.

18 Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, pp 150ff.

2.32 The Department of the Prime Minister and Cabinet's *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* (the Requirements) state that 'a consultant is an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services'.<sup>19</sup> In deciding whether a particular contractor should be categorised as a consultant for annual reporting purposes, the Requirements advise that agencies must ask whether 'the services involve the development of an intellectual output that assists with agency decision-making' and whether the output reflects 'the independent views of the service provider'. If the answer to those questions is 'yes', the arrangement must be categorised as a consultancy for annual report purposes.<sup>20</sup>

2.33 The requirements covering the reporting of advertising and market research derive from the *Commonwealth Electoral Act 1918*, section 311A. The Act states that departments must attach to their annual reports a statement 'setting out particulars of all amounts paid by, or on behalf of, the Commonwealth Department during the financial year' to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.<sup>21</sup>

2.34 The Committee notes that in some cases it will be clear that an organisation, such as a master media placement agency, is providing an advertising service but no distinctive intellectual 'output'. Payments to these organisations is thus reported under 'advertising and market research' and not under 'consultancies'.

2.35 However, in other cases, it may well be possible for individuals or organisations to fall into both these categories. For example, in PM&C's *Annual Report 2003-04* a payment of \$990,000 is reported as having been made to the company Grey Worldwide Pty Ltd for 'the advertising component of the National Campaign for the Elimination of Violence Against Women'.

2.36 Presumably Grey Worldwide Pty Ltd provided distinct intellectual 'output' for the campaign, because its payment is listed in the appendix on consultancies. However, it is also an advertising agency providing advertising services,<sup>22</sup> and is not listed under the appendix on Advertising and Market Research despite the introductory statement to that appendix saying that it 'covers payments (of \$1,500 and above) to external consultants engaged by the department to provide advertising and market research services'.

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19 Department of the Prime Minister and Cabinet's *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2005, p. 11.

20 Department of the Prime Minister and Cabinet's *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2005, p. 12.

21 *Commonwealth Electoral Act 1918*, ss 311A (1).

22 See Grey Worldwide Pty Ltd website, <http://www.greyworldwide.com.au/canberra/home.htm> (accessed 11 October 2005).

2.37 The Committee questioned PM&C about the reporting of expenditure on advertising services being split between the two separate appendices, and whether this practice facilitated effective disclosure of government expenditure on advertising services.<sup>23</sup>

2.38 Mr Williams subsequently advised the Committee that 'it appears that an error was made in the preparation of this department's 2003-04 annual report'.<sup>24</sup> This is because PM&C's guidelines on the preparation of annual reports require that 'where information is reportable as both advertising and market research and expenditure on consultancies, it should be reported under both headings but flagged as such'.<sup>25</sup> In the case of the payment to Grey Worldwide Pty Ltd, this did not occur.

2.39 The Committee notes that additional payments of approximately \$6 million were made to a range of other external consultants for aspects of the advertising campaign. These were also reported as consultancies, but not as advertising and market research. The Committee asked PM&C whether these additional payments were also wrongly reported in the department's 2003-04 annual report. An answer to the question had not been received by the time the report was finalised.<sup>26</sup>

2.40 Even without this mistake, the Committee notes that the practice of separating the reporting of payments made to advertising agencies into two different appendices makes it difficult to derive a total figure for the amount expended on advertising activities by this, and other, departments.<sup>27</sup>

### **Reporting under different criteria**

2.41 As noted earlier, the *Commonwealth Electoral Act 1918*, s 311A requires that Commonwealth departments attach a statement to their annual reports setting out particulars of all amounts paid by, or on behalf of, the department during the financial year to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

2.42 Under this section, departments are not required to report details of payments made where the total paid is less than \$1500, but they appear to have adopted different practices in relation to that requirement.<sup>28</sup>

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23 *Committee Hansard*, 7 October 2005, pp 15-16.

24 Mr Greg Williams, *Correspondence to Committee*, 20 October 2005.

25 Mr Greg Williams, *Correspondence to Committee*, 20 October 2005.

26 Late answers to some questions on notice, including this matter, are included in Appendix 9.

27 See also, for example, Department of Agriculture, Fisheries and Forestry, *Annual Report 2003-04*, pp 253-255, 266-270; and the Department of Education, Science and Training, *Annual Report 2003-04*, pp 208-236.

28 *Commonwealth Electoral Act 1918*, ss 311A (2).

2.43 For example, the Department of Education, Science and Training (DEST) does not report payments of this size;<sup>29</sup> PM&C has provided an aggregate figure of these payments together with its non-campaign advertising payments;<sup>30</sup> the Department of Health and Ageing does not specify what its practice is, but appears not to report amounts less than \$1,500.

2.44 Departments also vary in the categories under which they report their expenditure in the appendices titled 'Advertising and Market Research'. Some departments report the expenditure under program outputs, while others group it on a whole of department basis according to the types of organisation to which payments are made.

2.45 For example, while PM&C and the Department of Agriculture, Fisheries and Forestry list the different types of advertising and market research expenditure under Output Groups, DEST and the Department of Health and Ageing list them under headings such as 'Advertising Agencies', 'Market Research Organisations', 'Direct Mail Organisations', 'Media Advertising Organisations'. Again, these differences in reporting practices make it difficult to compare like with like, especially given the additional confusion engendered by the different classification of consultancies.

## Conclusion

2.46 The Government has claimed that 'detailed information about the cost of government advertising campaigns' is made publicly available through mechanisms such as Senate estimates hearings and questions on notice, the Senate order on departmental and agency contracts, agency and departmental annual reporting arrangements and gazettal of contracts on the internet.<sup>31</sup>

2.47 The Committee disputes that assertion. While it may be correct to claim that all costs are disclosed somewhere in annual reports and other documents, it is not possible for an external reader of these documents to form a clear picture of the total sum of money expended in any one financial year.

2.48 The Committee has conducted a detailed analysis of the information provided by these mechanisms but has been unable to quantify what the government's total expenditure on advertising has been in the past year, let alone over the past eight years. The Committee asked GCU to provide that figure and received no reply. It is clear, however, that the figure of \$1 billion expended through CAS since 1996-97 must be a very significant *under-estimate* of the total costs of researching, developing, creating, producing, placing, direct mailing and evaluating government advertising campaigns in that period.

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29 Department of Education, Science and Training, *Annual Report 2003-04*, p. 208.

30 Department of the Prime Minister and Cabinet, *Annual Report 2003-04*, p. 147.

31 Senator the Hon. Robert Hill, *Response to Return to Order of 29 October 2003*, 12 February 2004, cited in *Submissions 5 and 9*.



2.49 The Committee considers that an essential building block for accountability in government is the capacity to establish the basic facts concerning what money is spent on what activities. The reporting systems in place in relation to expenditure on government information campaigns are manifestly unable to provide that information.



## Chapter 3

### Nature and extent of government advertising since 1996

3.1 In this chapter of the report, the Committee considers the nature and the extent of Commonwealth government advertising since 1996 with particular reference to:

- major campaigns run;
- comparison with previous federal government practice; and
- justification for government advertising campaigns.

#### Major campaigns since 1996

3.2 Major government advertising campaigns since 1996 have included campaigns on defence recruitment, the taxation system, pharmaceutical benefits, the republic referendum, national security, Medicare, apprenticeships, domestic violence, lifetime health cover, Smart Traveller, citizenship, regional telecommunications, superannuation co-contributions, breast and cervical screening, Job Network, waste oil, alcohol and illicit drugs, immunisation, tobacco, family assistance benefits and quarantine.<sup>1</sup>

3.3 The campaigns are usually conducted through a range of media, including television, radio, newspapers, and magazines, and may also involve direct mail-outs, booklets, posters, websites, focus group testing and other market research.

3.4 The government's most recent major advertising campaign on its proposed industrial relations reforms, the WorkChoices campaign, will involve expenditure of around \$55 million.<sup>2</sup> This campaign is discussed in detail in the following chapter.

3.5 The following table lists the ten highest spending advertising campaigns between 1991-92 and 2003-04 in descending order, with estimated or budgeted expenditure provided in nominal dollars.<sup>3</sup> The expenditure reported refers only to expenditure through the Central Advertising System.

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1 See Senator the Hon. Eric Abetz, *Submission 9*, p. 2; Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2.

2 *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 75. See the discussion of the confusion in estimated expenditure in this campaign in Chapter 4.

3 The table is derived from Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2.

**Table 3.1: Major government advertising campaigns, 1991-92 to 2003-04**

<b>Program</b>	<b>\$million</b>
Defence Recruitment Campaign (1991-2004)	166.8
A New Tax System (GST) (1998-2000)	118.7
Pharmaceutical Benefits Campaign (2003- )	26
Republic referendum (1998-99)	24.7
National Security Campaign (as at 30 June 2003)	18.5
Strengthening Medicare (2004 -)	15.7
Apprenticeships (1997 - )	15.6
Domestic Violence Campaign (2002-05)	13.7
Lifetime Health Cover (1999-2000)	12.4
Smart Traveller (2003-07)	9.7

Source: *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2.

### **Comparison with previous federal government practice**

3.6 In evidence to the Committee, Senator Abetz argued that the Australian government's spending on advertising since 1996 was comparable to, if not restrained, by the standards of other governments. He said:

Between 1996 and 2004 the Australian government spent \$929 million on government information programs. This pales in comparison with state government expenditure in the same period, which totalled \$2.15 billion ... The Parliamentary Library figures for the last two financial years of the Keating Labor government show an average spend of \$100 million. In the last two full financial years of the current government, the spend averaged \$106 million. Yet the Carr Labor government of New South Wales, for one state only, spent \$104 million in one year alone, 2000-01. One is therefore tempted to ask rhetorically why it is that only this government is being questioned about spends.<sup>4</sup>

3.7 Senator Abetz's comparisons are misleading. Firstly, the Committee has already demonstrated in Chapter 2 that the figure of \$929 million spent by the Commonwealth government in the period 1996-2004 greatly understates the total expenditure on advertising. Secondly, Senator Abetz's comparison with state

4 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, pp 77-78.

governments' advertising expenditure is spurious. Senator Abetz refers to a figure of \$104 million in 2000-01 for the NSW State Government which of course was the year of the Sydney Olympics. By 2001-02 the total expenditure by the NSW Government had fallen to \$86 million.<sup>5</sup> Thirdly, it is indisputable that state governments have a much greater demand for regular advertising due to the larger range of services they provide to the community. For instance, state government advertising on employment vacancies and government notices is significantly greater than for the Commonwealth Government.

3.8 With regard to previous Commonwealth governments, the Committee notes that when the current federal government was in opposition, it argued that spending on government advertising by the then Keating government was at unacceptable levels. In a press release, then Opposition leader, the Hon. John Howard MP, said:

This soiled Government is to spend a massive \$14 million of taxpayers' money over the next two months as part of its pre-election panic. Judging by information coming from within the public service, if the full communication barrage runs its course it could reach \$50 million. This Government has effectively allowed the Labor Party to get its fingers into the taxpayers' till.<sup>6</sup>

3.9 Given these highly critical comments, it is then hardly a justification for the current excessive use or even misuse of taxpayer funds for Senator Abetz to argue that 'they did it too'.

3.10 In his submission to the Committee, Senator Abetz also compared the nature of the current government's 'information activities' with those run by the previous federal Labor government, and noted that they covered similar issues.<sup>7</sup>

3.11 He advised that federal Labor government advertising between 1988 and 1996 had included campaigns on defence recruitment, youth training and New Start programs, promotion of the Commonwealth Employment Service, AIDS awareness, alcohol and illicit drugs, Medicare, mental health, breast and cervical screening, tobacco, pharmaceutical benefits, citizenship, Aboriginal reconciliation, quarantine, global warming, superannuation, family allowance, industrial relations and working nation, and others.<sup>8</sup> He said:

From the list above, it is clear that the content of Government campaign [sic] differs very little between Governments. Thus, if the content is not the issue, the only objection could be based on either quantum, which is

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5 *The Sydney Morning Herald*, 29 July 2002.

6 Press Release (Hon. John Howard MP), *Auditor-General to examine Government advertising*, 5 September 1995.

7 *Submission 9*, p. 2.

8 *Submission 9*, p. 2.

roughly comparable, or style, which is a matter of individual taste and hardly an objective criteria [sic] upon which to base a judgement.<sup>9</sup>

3.12 There are important questions related to these matters which are not answered merely by appeal to parity with previous government practice. These questions concern the efficiency and effectiveness of government advertising campaigns in meeting the community need by which they are said to be justified.

### **Justification for government advertising campaigns**

3.13 The question at the heart of this inquiry is: can particular expenditures on government advertising and information activities be justified by their meeting identified needs in the community? The two main issues that must be addressed in answering that question are:

- what are the community's information needs and the most efficient strategies for meeting them?; and
- when is government advertising being used for primarily *political* purposes?

### ***Need for and efficiency of campaigns***

3.14 The Committee was told that the need for particular advertising campaigns is determined by individual departments and agencies, and their ministers. Having made that determination, the department comes to the Government Communications Unit in PM&C, which will 'facilitate' the development of the campaign. Mr Greg Williams, First Assistant Secretary, People, Resources and Communications Division, PM&C, said that the GCU would assist the department to develop a communication strategy and identify appropriate consultants:

It will look at the communication strategy to see what the message is, what the target audience is and other issues associated with a proper communication strategy. Having gone through that process, the department will put that communication strategy, the related briefs and the lists of consultants up through their minister. When the minister is satisfied with the strategy, the briefs and the lists, they will come to the MCGC [Ministerial Committee on Government Communications].<sup>10</sup>

3.15 A more detailed account of this decision making process is provided in Chapter 5. For the purposes of this section of the report, however, the Committee notes that the determination of the need for and nature of the message and the target audience is made initially by departments and their ministers, although the final approval of the campaign itself belongs to the MCGC.

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9 *Submission 9*, p. 2.

10 Mr Greg Williams, *Committee Hansard*, 19 August 2005, p. 87.

3.16 In his submission to the inquiry, the Clerk of the Senate, Mr Harry Evans, identified key questions that should arise in relation to each substantial advertising project. They are:

- (1) Is there a clearly-identified need for the information to be conveyed by the project?
- (2) Is the scale of the project appropriate to that need for information?
- (3) Is the project accurately targeted to the people who need the information?
- (4) Does the project clearly and accurately convey the required information?
- (5) Are the means adopted of conveying the information the most efficient for that purpose?
- (6) Is the project conducted in the most economical way of achieving the purpose, that is, is the best value for money achieved?<sup>11</sup>

3.17 A number of submissions to the inquiry questioned whether some recent government advertising campaigns would satisfactorily answer these threshold questions.

3.18 For example, Dr Sally Young, Lecturer, Media and Communications Program, University of Melbourne, questioned whether advertisements promoting bonus payments to carers and family assistance benefits conveyed in the most efficient possible way information which was directly relevant to only certain segments of the population. She wrote:

We've seen full page newspaper ads that consist mainly of a large photograph of a woman with a child; or an elderly person's hand. These ads contained scant written detail but what was provided was extraordinary. One full page ad for a bonus payment to carers said: 'You do not have to do anything to claim your money ...it will be paid automatically into your bank account ...'. Ads for family assistance said: 'If you were receiving Family Tax Benefit Part (A) ... then you automatically qualify ...'.

How can full-page newspaper ads costing \$25, 000 each be justified when these entitlements are directed at very specific groups (who can be contacted by the relevant department that administers their benefits via letter) and when those groups do not even have to do anything to access their new entitlement?<sup>12</sup>

3.19 Dr Young also criticised other advertisements which, she said, seemed to promote a 'feel-good' message rather than specific information that had been identified

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11 Mr Harry Evans, *Submission 6*, p. 1.

12 Dr Sally Young, *Submission 3*, pp 4-5. The same point about the family assistance advertisements was made by Dr Graeme Orr, *Submission 2*, p. 8.

as required by the community.<sup>13</sup> She cited the example, in this context, of advertising on the environment as did Professor Stephen Bartos, a former Deputy Secretary of the Department of Finance and Administration with responsibility for the Office of Government Information and Advertising. He said:

Environment department television advertising 'lend the land a hand' is virtually devoid of semantic content. Other than the arguably misleading claim that the current government is spending more on the environment than any other (a highly contestable political claim) it consists of frequent repetitions of the title slogan and accompanying images. It is hard to see how this specifically relates to the responsibilities of the department ... This advertising seems designed solely for emotional effect.<sup>14</sup>

3.20 The Committee is particularly concerned about the rigour of the process for determining the need for and style of campaigns, given that expenditure on government advertising is not obviously constrained by limits on departmental budgets in this area. The question of the budget and appropriations process for government advertising expenditure is considered in more detail in Chapter 4.

### ***Government advertising and political purposes***

3.21 The controversy over government advertising expenditure arises not simply from concern about the efficient use of public funds. It arises because there is a strong concern that government advertising campaigns can be used to promote the government itself. The charge is that some government advertising campaigns amount to a form of party political advertising by stealth, conducted at taxpayers' expense.

3.22 This charge is supported with reference to two related arguments. The first, already outlined above, is that the information content of some advertising campaigns is so slight or unfocused or one-sided, that their main purpose cannot reasonably be considered to be to educate or inform citizens of new policies, entitlements or obligations that affect them.

3.23 Instead, the point of such advertisements is to engender a favourable view of the government itself, or of proposed government initiatives. This objective need not mean that advertisements contain overtly partisan political content, but could be achieved through the accumulation of 'feel-good' images of a government caring for people, the environment and the community.

3.24 This argument is supported by the fact that there is a 'spike' in government advertising in federal election years.

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13 *Submission 3*, p. 5.

14 Professor Stephen Bartos, *Submission 7*, p. 4.



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### *Election year 'spikes'*

3.25 Dr Graeme Orr expressed this argument in his submission to the Committee. He said:

The now routine, but always dramatic pre-election 'spike' in spending on government advertising is the most damning circumstantial evidence imaginable of the fact that advertising campaigns are being used for political effect. Indeed, the fact that such ads stop during an election campaign is further evidence that they are assumed by all sides to have the potential for partisan effect: if they had no such effect, and if they were truly communicators of impartial information about established legislation and policy, there would be no need to invoke the 'caretaker' convention.<sup>15</sup>

3.26 In a similar vein, former NSW Auditor-General, Mr Tony Harris, noted that:

Recent audits of government advertising campaigns in NSW and Victoria and in the Commonwealth have concluded, to employ the views of the Commonwealth auditor-general, that there is a correlation between approaching general elections and the amount of expenditure directed to government advertising.<sup>16</sup>

3.27 In his audit of the government's GST advertising campaign prior to the 1998 federal election, the Commonwealth Auditor-General analysed the monthly expenditure on government advertising over the period from 1989-90 to 1997-98. The analysis showed that there were definite 'pre-election spikes'<sup>17</sup> in government advertising spending. In the Auditor-General's words:

The patterns of expenditure shown ...could raise questions in Parliament and the general community about the nature and purpose of government advertising, particularly in the lead up to elections.<sup>18</sup>

3.28 In his Research Note for the Parliamentary Library, Dr Richard Grant also concluded that patterns of expenditure on government advertising 'support this claim of pre-election spikes'. He said:

The 1993, 1996, 1998 and 2001 federal elections were preceded by sharp increases in government advertising outlays.<sup>19</sup>

3.29 A number of witnesses expressed the view that this pre-election spike in government advertising is of concern, not just because it indicates that the advertising

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15 Dr Graeme Orr, *Submission 2*, p. 4.

16 Mr Tony Harris, *Submission 8*, p. 2.

17 Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 3.

18 Auditor-General, *Taxation Reform: Community Education and Information Programme*, Audit Report No.12, October 1998, p. 28.

19 Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 3.

in question may be substantially politically motivated, but also because it distorts the system of public funding of elections.

3.30 Dr Sally Young considered that:

Massive spending on government ads is having a very damaging impact on public confidence in politicians and the political process. It is also a serious impediment to fair competition at elections. During an election, the major parties spend around \$13 – \$16 million on political ads. When a party can use government resources to spend over ten times that amount immediately before an election, they are given a massive advantage over opponents. In an era where media management and advertising are seen as crucial to elections, government advertising has become one of the greatest perks of incumbency.<sup>20</sup>

3.31 Dr Graeme Orr said that:

The amounts of money involved [in government advertising prior to elections] are staggering. They outstrip public funding of election campaigns nine-fold. They thus threaten to outflank the system of public funding of elections, introduced in 1983 to ensure a measure of political equality between all parties and candidates, on the basis of their voter support.<sup>21</sup>

### ***Political use of advertising market research***

3.32 It is possible that this so-called 'incumbency benefit' could extend beyond the benefits produced by the advertisements themselves. Research conducted in the development and evaluation of particular advertising campaigns is not made public. This leaves open at least the possibility that such research may be used by the government to inform its party political strategies. Professor Stephen Bartos expressed this concern in the following terms:

Just as important as the actual advertising campaigns is the market research commissioned by departments and agencies. Under the *Guidelines* 'the MCGC considers all significant market research related to information programs or campaigns that is either sensitive or has an expected value of \$100,000 or more'. The research might include surveys, focus groups, opinion polls or other means of evaluating public information.

This information should arguably be made public, as an assurance that it is not in fact being used to bolster party political opinion polling. Similar market research is done by political parties, which use it to assist them to develop and sell policies – this is a proper use for the parties' own funds, not public monies. There is no evidence that government advertising market research is used in this way – but equally, given it is kept confidential, no

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20 Dr Sally Young, *Submission 3*, p. 6.

21 Dr Graeme Orr, *Submission 2*, p. 4.

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evidence that it is not. Disclosure would provide the level of assurance needed.<sup>22</sup>

3.33 The Committee notes that a related issue was discussed by the Auditor-General in his 1998 audit about aspects of the Government's pre-election GST advertising campaign. This concerned the approval for the use of Commonwealth copyright material from publications about A New Tax System by the Liberal and National Parties during the 1998 election campaign.<sup>23</sup>

3.34 In his report, the Auditor-General noted that AusInfo was the office within the Department of Finance and Public Administration which administered the Commonwealth's copyright on the program materials developed for the advertising campaign. On 31 August 1998, AusInfo received a request from the Liberal and National parties to reproduce unlimited 'relevant' materials from four publications about A New Tax System.<sup>24</sup> The publications were: The New Tax System – Working for Small Business; The New Tax System – GST how it works; A New Tax System – Overview; and, A New Tax System.

3.35 AusInfo provided information to the ANAO indicating that copyright requests normally take up to two weeks to process. In this case, approval for the use of copyright was granted to the Liberal and National parties the following day, on 1 September 1998.<sup>25</sup>

3.36 The Auditor-General noted that the essential criterion for assessing requests to grant Commonwealth copyright is whether the material requested will be used for an appropriate and/or commercial use. As an election campaign is not a commercial use, AusInfo decided that the licence arrangement with normal copyright conditions could be used. According to the ANAO:

[t]he licensing of Commonwealth copyright for party-political purposes during an election period is an issue beyond the capacity of the broad criteria for assessment normally used for assessing requests for Commonwealth copyright ... The current guidelines therefore allow material developed at significant expense to the taxpayer to be used for party-political purposes during an election period.<sup>26</sup>

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22 Professor Stephen Bartos, *Submission 7*, p.10. See also Professor Stephen Bartos, *Committee Hansard*, 19 August 2005, p. 56.

23 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, pp 48-49.

24 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 48.

25 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 48.

26 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 49.

### ***Government response***

3.37 In his evidence to the Committee, however, the Special Minister of State, Senator the Hon. Eric Abetz, rejected the suggestion that any of his government's advertising campaigns have been designed or used for political purposes. Indeed, he disputed both main lines of argument employed by the critics of the government's advertising practice. He disagreed that:

- the content and style of certain advertisements indicates that they have a primarily political purpose; and
- the 'spikes' in expenditure are related in any way to the timing of elections.

3.38 On the first point, Senator Abetz said that the suggestion that any government advertising has a primarily partisan political purpose is 'without any foundation':

Under the Howard Government, information campaigns are not for party political purposes and to conflate the two is, at best, misleading and, at worst, a slander on the name of those fine public servants who oversee the entire process of information campaigns. There is no competition between the two forms of advertising – they are entirely separate and do not cross into each other's territory.<sup>27</sup>

3.39 He complained that despite the claims made in some submissions that some of the government's advertising had a primarily political purpose, 'nobody has been able to come up with a definition of what might or might not be party political'.<sup>28</sup>

3.40 On the second point, Senator Abetz argued that the spikes in expenditure on government advertising are related to the timing of the budget cycle, not the timing of elections. He said:

Since 1996, Budgets take place in May and Federal Elections have all taken place in the second half of the year ... Given the confidential nature of Budget planning, policy proposals cannot be sent out for development by advertising agencies before their release on Budget night. The announcement is made in May, but Ministerial approval, research, development of a campaign and finally MCGC approval may take several weeks or even months. Thus it is not surprising to find that many Government campaigns take place in mid-to-late year, but rather it is the expected outcome of the policy-development-production-release timeline ... For that reason, those who seek to read something sinister into the timing of campaigns in the last 6 months before an Election are pre-supposing a level of cynicism and co-ordination that simply does not exist.<sup>29</sup>

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27 Senator the Hon. Eric Abetz, *Submission 9a*, p. 3.

28 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 78.

29 *Submission 9a*, p. 3.

3.41 The plausibility of this argument is undermined by the fact that the supposed 'post-Budget' spikes in government advertising expenditure are occurring on a three-year cycle. In other words, it is only after every third Budget that there is a spike in advertising expenditure and these spikes, coincidentally enough, just happen to fall in federal election years.

## Conclusion

3.42 The Committee has considered what threshold questions would need to be satisfied in order to justify the considerable expenditure of public funds on these activities. These threshold questions concern matters such as the identified need within the community for the relevant information, the most cost efficient and effective way of communicating with the target audience, and the consideration of alternative methods of communication such as media releases, green papers, letters to affected householders, and so on.

3.43 The Committee notes that these questions seem to be considered, in the first instance, within the government departments and agencies that have carriage of particular advertising campaigns. Reasoned justifications of the need for or evaluation of the effectiveness of government advertising campaigns are not routinely available on the public record.

3.44 On the basis of the information that is in the public domain, therefore, the Committee is unable to satisfy itself that departments adequately considered the threshold questions identified in every case. Further, as will be discussed in the following chapter, the Committee is not satisfied that the system for appropriating funds for government advertising provides any restraint on government spending in this area.

3.45 By contrast, the Committee notes that the new guidelines for government advertising adopted by the Canadian Government<sup>30</sup> require the full public disclosure of the reasons for particular campaigns, the target audience, the campaign objectives and evaluation, and full disclosure of the campaign costs.<sup>31</sup> They also include a commitment by the Canadian government to *reduce* spending on government advertising.<sup>32</sup> The Committee will return to these matters in Chapter 7, when it considers possible reforms to the accountability framework for government advertising in this country.

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30 See Dr Sally Young, *Submission 3b*, p.1. The Canadian Government guidelines are contained in the *Communications Policy of the Government of Canada*, which is available at [http://www.tbs-sct.gc.ca/pubs\\_pol/sipubs/comm/comm\\_e.asp](http://www.tbs-sct.gc.ca/pubs_pol/sipubs/comm/comm_e.asp) (accessed 31 October 2005).

31 *Submission 3b*, pp 13-15.

32 *Submission 3b*, p. 3.



## Chapter 4

### Appropriations process and the WorkChoices campaign

#### Budgeting for government advertising

4.1 Appropriations for government communications are not necessarily fully specified in advance in the budget papers.<sup>1</sup> Senator Abetz told the Committee that while some campaigns are planned in advance as part of a department's and minister's overall priorities, some arise in response to need. For example, he said: 'You ... have, let us say, a national security priority. All of a sudden, more money is made available for that because there is deemed to be a community need for that'.<sup>2</sup>

4.2 Mr Greg Williams, First Assistant Secretary, Department of the Prime Minister and Cabinet, clarified the budgeting process for government advertising in the following terms, saying:

in some cases a program will be foreshadowed in the budget and moneys will be appropriated to the department which will include the implementation of a program with an associated communications activity. In some cases it is not that clear cut. Issues might arise during the year where a department might, in looking at the priorities and the minister's and the government's priorities, identify that a communications campaign may be required.<sup>3</sup>

4.3 Mr Williams also said that, where additional funds are required for an advertising campaign,

The minister, depending on the timing of a budget cycle, may write to the Prime Minister seeking additional funding to be provided through additional estimates, the budget process or through other processes. A decision is taken as to whether the moneys should be provided and, if they are, they are provided through a budgetary process.<sup>4</sup>

4.4 The Committee acknowledges that it is appropriate for the government to have the flexibility to respond to urgent and unanticipated information needs of the community. However, it is of concern that a government, under this system, is able to use public funds to pay for politically motivated communications campaigns on an ad hoc basis, without being required to provide a rigorous justification of their public benefit relative to other possible uses of the funds.

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1 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 85.

2 *Committee Hansard*, 19 August 2005, p. 84.

3 Mr Greg Williams, *Committee Hansard*, 19 August 2005, p. 86.

4 Mr Greg Williams, *Committee Hansard*, 19 August 2005, p. 87.

4.5 Concerns about this issue raise questions, not simply about expenditure on government advertising, but about the whole appropriations process and Parliament's role in monitoring and approving government expenditure.

4.6 The Committee considers it important in the context of this inquiry to indicate where the appropriations process might contribute to the overall weakness in the accountability framework for government advertising. The consequences of this weakness are particularly evident in the recent WorkChoices advertising campaign.

4.7 Accordingly, this chapter discusses these issues, with particular reference to the government's WorkChoices advertising campaign and the High Court challenge to its legality.

### **WorkChoices advertising campaign**

4.8 On 26 May 2005, the Prime Minister, the Hon. John Howard MP, announced to the House of Representatives that the Government intended to propose amendments to federal legislation on industrial relations.<sup>5</sup> According to the Prime Minister, the proposed legislative changes would include: changes to arrangements for setting minimum wages and conditions; changes to processes for making both individual and collective workplace agreements; changes to the role of the Australian Industrial Relations Commission; amendment of unfair dismissal laws; and, progress towards 'a national industrial relations system' in place of the mixture of federal and State legislation now applicable in most parts of Australia.<sup>6</sup>

4.9 At the time of the announcement, no bill had been introduced into the Parliament to give effect to the legislative changes foreshadowed by the Prime Minister.

4.10 In response to the Prime Minister's announcement, the Australian Council of Trade Unions (ACTU) organised a national campaign opposing the proposed legislation. This campaign included public rallies, as well as advertisements in the print media and on television, radio and the internet. These advertisements were funded privately, by the ACTU, private organisations and individuals.<sup>7</sup>

4.11 The government responded to this campaign in public speeches and statements in defence of the proposals. Then, from 9 July 2005 in the print media and from 23 July in radio broadcasts, government advertisements began to appear

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5 The Hon. Mr John Howard MP, *House of Representatives Hansard*, 26 May 2005, pp 38-43.

6 The Hon. Mr John Howard MP, *House of Representatives Hansard*, 26 May 2005, p. 39; see also, *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Kirby J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 177.

7 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Kirby J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 178.



supporting the proposals.<sup>8</sup> These advertisements were funded, not by employers' industrial organisations equivalent to the ACTU nor by private businesses or political parties, but from taxpayer funds.

4.12 The ACTU and the Australian Labor Party (ALP) brought proceedings against the Commonwealth Government in the High Court challenging the lawfulness of the government's use of public money to fund its advertisements.

### **High Court challenge**

4.13 In the action they brought against the Commonwealth government in the High Court, the ACTU and the ALP (the plaintiffs) asserted that the withdrawal of money from the Treasury of the Commonwealth to pay for advertisements promoting proposed future changes to federal industrial relations laws was unlawful, because it was not specifically authorised by the *Appropriation Act (No.1) 2005-2006*.

4.14 Chief Justice Gleeson outlined the essence of the issue before the High Court in the following terms:

The advertisements have been, and will be, paid for by moneys drawn from the Treasury. The appropriation by law relied upon is that made by the *Appropriation Act (No.1) 2005-2006 (Cth)* ('the Appropriation Act'). The plaintiffs contend that the Appropriation Act does not cover such drawings. The defendants contend that it does. That is the principal issue to be decided. The question is one of the construction of the Appropriation Act.<sup>9</sup>

4.15 The High Court found by majority judgement that the expenditure was authorised by the Appropriation Act, and therefore that it was lawful.<sup>10</sup> Two of the High Court judges, Justices Kirby and McHugh dissented from the majority judgement, finding instead in favour of the plaintiffs.

### ***Appropriation Act (No.1) 2005-2006***

4.16 The Appropriation Act allocates money to different government departments and agencies to fund 'matters that are considered to be the ordinary annual services of the government and hence cannot be amended by the Senate under section 53 of the Constitution'.<sup>11</sup>

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8 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Kirby J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 180.

9 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gleeson CJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 1.

10 The majority consisted of Chief Justice Gleeson, and Justices Gummow, Hayne, Callinan and Heydon.

11 Budget Paper No.4, *Agency Resourcing 2005-06*, p. 4.

4.17 In 2005-06, under the Act, the Department of Employment and Workplace Relations (DEWR) was allocated a total of \$4,069,153,000. That total sum is divided into 'departmental outputs' (\$1,447,552,000) which represent the cost of all the outputs the agency plans to deliver, and into 'administered expenses' (\$2,621,601,000) which are expenses administered by the agency on behalf of the Government.

4.18 In other words, departmental outputs or expenses are expenses over which an agency has control and represent the cost to the department of doing its work of policy development and implementation, and advising government. They include salaries, accruing employee entitlements and operational expenses.<sup>12</sup> Administered expenses, on the other hand, are expenditures which agencies simply *administer* on behalf of the government and over which they have no discretion. They are normally related to activities governed by eligibility rules and conditions established by the government or Parliament, such as grants, subsidies and benefit payments.<sup>13</sup> They would include, for example, the cost of paying unemployment benefits or youth allowance.

4.19 Section 81 of the Constitution requires that appropriations be made for particular purposes, and it is for Parliament to determine 'the degree of specificity with which such purposes are expressed'.<sup>14</sup> Since 1999-2000, appropriations have been made against overall outcomes rather than against specific goods or services to be provided by government. Chief Justice Gleeson summarised this shift in the following terms:

A recent development in the theory and practice of public administration is the trend towards 'outcome appropriations' as a means of stating the purposes for which governments spend public money ... "Outcomes are the intended effects of government programmes, whereas outputs – the goods and services delivered by government – are the means of achieving those outcomes". A suggested benefit of changing the focus of appropriations from outputs to outcomes is the placing of greater emphasis on performance in the public sector.<sup>15</sup>

4.20 Chief Justice Gleeson went on to note that:

Typically, outcomes are stated at a high level of generality. Furthermore, they are commonly expressed in value-laden terms which import political

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12 Budget Paper No.4, *Agency Resourcing 2005-06*, p. 4.

13 Budget Paper No.4, *Agency Resourcing 2005-06*, p. 4.

14 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gleeson CJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 5.

15 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gleeson CJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 6. The quote is from Brumby and Robinson, 'Performance Budgeting, an Overview', paper delivered at the International Seminar on Performance Budgeting, Brasilia, 2004.

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judgement. Parliament is appropriating funds for use by a government, and the outcomes pursued may involve controversial policy judgements.<sup>16</sup>

4.21 In the case of the 2005-06 appropriations for DEWR, the total allocated sum of \$4,069,153,000 was made against three broad outcomes. They were: Outcome 1 – Efficient and effective labour market assistance; Outcome 2 – Higher productivity, higher pay workplaces; and Outcome 3 – Increased workforce participation. The specification of activities to be undertaken by the department in relation to each outcome is provided in the Portfolio Budget Statements (PBS) 2005-06.

4.22 The expenditure for the WorkChoices advertising campaign has been charged as departmental expenditure against Outcome 2 – Higher productivity, higher pay workplaces.<sup>17</sup> No provision for this expenditure was identified in the department's PBS.<sup>18</sup>

### ***Reasoning in the High Court's decision***

4.23 As noted earlier, the High Court found by majority judgement that the expenditure *was* authorised by the Appropriation Act, and therefore that it was lawful.<sup>19</sup> There were two strands of reasoning in the majority judgement, detailed respectively by Chief Justice Murray Gleeson and by the joint reasons of Justices Gummow, Hayne, Callinan and Heydon.

4.24 Chief Justice Gleeson held that the expenditure was authorised, because in his view Outcome 2 is stated with such breadth that it does encompass the advertising activity. He said:

Persuading the public of the merits of policy and legislation may be vital to the achievement of the desired policy objective. There may be many grounds of political objection to the advertising in question, such as that the proposed changes will not result in 'higher productivity, higher pay workplaces', or that a publicly funded advertising campaign is an inappropriate means of advocating such changes. The legal question, however, is whether the drawings in question are covered by the appropriation. The relevant outcome is stated with such breadth as to require an answer to that question adverse to the plaintiffs.<sup>20</sup>

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16 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gleeson CJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 6.

17 See *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, McHugh J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 69.

18 See *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Kirby J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 210.

19 The majority consisted of Chief Justice Gleeson, and Justices Gummow, Hayne, Callinan and Heydon.

20 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gleeson CJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 29.

4.25 The other four justices also held that the expenditure was authorised, but on different grounds. In their joint reasons, they found that differences in the wording of the text of s 7 and s 8 of the Appropriation Act mean that, whereas appropriations for administered expenses must be expended under their designated Outcomes, appropriations for departmental outputs need not be expended against Outcomes but need only be 'departmental expenditure'.<sup>21</sup>

4.26 That means that the argument about whether the advertising expenditure can be considered to further the achievement of Outcome 2 is simply irrelevant.<sup>22</sup> The key question is whether the expenditure is departmental expenditure, not whether it happens to fit under one of the specified outcomes. The joint reasons said that:

Contrary to the plaintiffs' case, the question for decision is not whether the advertising expenditure answers one or more of the stipulated outcomes but whether it is applied for departmental expenditure. Satisfaction of that criterion is not challenged by the plaintiffs.<sup>23</sup>

4.27 Justices Kirby and McHugh dissented. Both determined that the expenditure was *not* authorised, because it could not reasonably be said to further the achievement of Outcome 2 and because nothing in the Portfolio Budget Statement 2005-06 indicated that money would be spent on such an advertising campaign.

4.28 In his reasons, Justice McHugh said that although he accepted that the Portfolio Budget Statements do not exhaust the expenditures that an agency may incur to achieve an outcome, 'I find it impossible to conclude that there is any rational connection between the advertisements and Outcome 2 – which was the Outcome upon which the defendants relied'. He continued:

There is simply nothing in the advertisements that could result in an increase in productivity or wages. On their face, the advertisements are concerned to reassure members of the public – and workers in particular – that, under the reform package, workers will not be worse off and that there will be more jobs and higher wages for Australian workers and their families. The defendants tendered no expert evidence that 'feel good' advertisements of this kind will increase the number of units of goods or services produced per worker or will induce employers to pay higher wages. In the absence of such evidence, I can see no connection – rational

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21 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gummow, Hayne, Callinan and Heydon JJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 135.

22 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gummow, Hayne, Callinan and Heydon JJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 131-133.

23 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, Gummow, Hayne, Callinan and Heydon JJ., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 136.

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or otherwise – between the advertisements and higher productivity or higher wages.<sup>24</sup>

4.29 He concluded that:

The advertisements appear to be political in nature. They appear designed to win support for government policy or, at least, to negate the impact of criticism of that policy. Nothing in them provides any support for the conclusion that somehow by some means the advertisements will contribute to achieving higher productivity or higher pay workplaces. In my opinion, there is no rational connection between the advertisements and Outcome 2. It follows that the defendants had no lawful authority to draw funds from the Treasury of the Commonwealth to finance the advertisements in question.<sup>25</sup>

4.30 Justice Kirby likewise noted the absence of any indication in the Department's PBS that the money appropriated for Outcome 2 would be expended on advertising. He said:

In Australia, to this time, the provision of policy advice and the development of legislation by a Department of State has not normally involved an advertising campaign directed at the public in advance of the enactment, or even the introduction, of such legislation.<sup>26</sup>

4.31 He remarked that occasionally the public might be invited to make submissions about proposed public policy changes or on the contents of proposed legislation. However:

No such invitations appeared in the advertisements complained of by the plaintiffs. The provision of policy and the development of legislation are governmental activities different in kind from publicly funded advertising campaigns for the purpose of public persuasion and to respond to a privately funded campaign by political opponents.<sup>27</sup>

4.32 In criticising the joint reasons, Justice Kirby noted several difficulties with the approach adopted. In particular, he said:

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24 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, McHugh J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 93.

25 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, McHugh J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 94 and 95.

26 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, McHugh J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 207.

27 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, McHugh J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 207.

...it is not consistent with the scheme of the Appropriation Act itself, the accompanying budget papers and the explanatory material. As outlined earlier, these materials all indicate that the federal parliamentary appropriations system is designed to revolve around outcomes and outputs. No distinction is made in this regard between departmental items and administered expenses ... It would be an astonishing result if the Parliament, having gone to all the trouble of designing and implementing the complicated appropriations system which operates by reference to departmental outcomes, then proceeded to appropriate a great part of federal revenue in a manner falling outside that system that it had so painstakingly adopted.<sup>28</sup>

### **Implications of the High Court judgement**

4.33 The implications of the judgement by the High Court are twofold.

4.34 The first is that the outcome of the challenge in the High Court supports the contention made in evidence to the Committee by the Clerk of the Senate, Mr Harry Evans. His view is that under the financial management framework erected since 1997, the Parliament has limited ability to determine how much money is available for particular purposes or the purposes for which money is to be spent.<sup>29</sup>

4.35 According to Mr Evans, this state of affairs has arisen for a number of reasons. They include: that 'special appropriations' rather than 'annual appropriations made by Parliament' now account for most government expenditure; that there are a number of other sources of money available to government apart from appropriations; that the outcomes for which money is appropriated by departments are so 'nebulous and vaguely expressed that the purposes of expenditure are unknown until the expenditure occurs'; and that new programs and expenditures are increasingly being funded out of 'ordinary annual services money'.<sup>30</sup> He commented:

This system has made it much easier for government to find large amounts of money for unanticipated advertising campaigns, or indeed anything else, without parliamentary approval...<sup>31</sup>

4.36 As outlined earlier, there are two arguments made in the High Court's judgement for the government's freedom specifically in relation to the expenditure of appropriated monies. The first is that a department's broad statement of outcomes can cover expenditure that is not contemplated in the PBS; the second is that the expenditure need not even fall under a stated outcome as long as it falls into the (even

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28 *Combet v Commonwealth of Australia [2005] HCA 61 (21 October 2005)*, McHugh J., [http://www.austlii.edu.au/au/cases/cth/high\\_ct/2005.61.html](http://www.austlii.edu.au/au/cases/cth/high_ct/2005.61.html) (accessed 24 October 2005), at 284.

29 Mr Harry Evans, *Submission 6b*, p. 1.

30 Mr Harry Evans, *Submission 6c*, pp 1-4.

31 Mr Harry Evans, *Submission 6b*, p. 1.

broader) category of 'departmental expenditure'. This suggests that Mr Evans is correct in saying that:

Parliament, in making appropriations, is giving government a blank cheque to spend money for any purpose.<sup>32</sup>

4.37 As Mr Evans has noted, this issue goes much wider than simply the issue of expenditure on government advertising.<sup>33</sup> It concerns the whole financial accountability framework and Parliament's role in monitoring and approving government expenditure. In commenting upon the implications of the High Court judgement, Mr Evans said that:

The separate judgement of Chief Justice Gleeson explicitly puts the responsibility for control of expenditure back on to the Parliament:

If Parliament formulates the purposes of appropriation in broad, general terms, then those terms must be applied with the breadth and generality they bear (at 27).<sup>34</sup>

4.38 Mr Evans noted that: 'The fact that the High Court has, by a majority, vacated the field makes the requirement for parliamentary accountability mechanisms more pressing'.<sup>35</sup> Accordingly, he concluded: 'It is now clear that control of expenditure must be undertaken by Parliament or it will not be undertaken at all'.<sup>36</sup>

4.39 The second, and consequent, implication of the High Court's judgement is that because of the government's freedom in relation to the expenditure of its appropriations, there is almost nothing in the appropriations process itself that will provide any restraint on government expenditure on politically contentious advertising activities.

### **Aftermath of High Court decision**

4.40 The High Court brought down its decision on 29 September 2005. On 9 October the government resumed its WorkChoices advertising campaign on television, print media, radio and the internet. The campaign concluded on 30 October 2005.<sup>37</sup>

4.41 The relevant legislation, the Workplace Relations Amendment (Work Choices) Bill 2005, was finally introduced to the Parliament on 2 November 2005 and

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32 Mr Harry Evans, *Submission 6c*, p. 4.

33 Mr Harry Evans, *Submission 6b*, p. 1.

34 Mr Harry Evans, *Submission 6e*, p. 2.

35 Mr Harry Evans, *Submission 6e*, p. 3.

36 Mr Harry Evans, *Submission 6e*, p. 2.

37 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 71.

passed by the House of Representatives on 10 November 2005. The bill itself is 687 pages in length, and its accompanying Explanatory Memorandum runs to 565 pages.

4.42 Four features of the WorkChoices advertising campaign are of particular concern. They are:

- the contempt for Parliament;
- likely inaccuracies in advertisements;
- the wastefulness of the campaign expenditure; and
- lack of real information in the advertisements.

#### ***Contempt for Parliament and likely inaccuracies in advertisements***

4.43 Two major tranches of advertising for the WorkChoices 'reforms' were conducted before the legislation was introduced into the parliament. As noted earlier, advertisements were published and broadcast in July 2005 and from 9 October to 30 October 2005. The relevant legislation was introduced into Parliament on 2 November 2005.

4.44 In fact, the advertisements were aired even before the legislation had been fully drafted. In evidence to a Senate Estimates hearing on 31 October 2005, Senator Robert Hill, Leader of the Government in the Senate, confirmed that 'information was provided in principle whilst the detail of the drafting was progressing'.<sup>38</sup>

4.45 This advertising summarising major policy detail prior to the detail being publicly available and the legislation being passed demonstrates contempt for the Parliament. The changes may not be passed by the Parliament, or they may be significantly amended. In either of these cases, the advertisements may turn out to have contained substantial inaccuracies or to have been a large waste of taxpayer funds.

4.46 As Senator Andrew Murray (Australian Democrats) said in the Estimates hearing:

I would be absolutely amazed if the initial advertisements that came out exactly matched the final legislation passed by the Senate. I would be absolutely amazed. You should not, as a government, be advertising prior to legislation passing the Senate. It is immoral.<sup>39</sup>

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38 Senator the Hon. Robert Hill, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 79.

39 Senator Andrew Murray, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 78.



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### *Wastefulness of campaign expenditure*

4.47 The wastefulness of the government's expenditure on the WorkChoices campaign is demonstrated not only by the total amount spent, but also by the saturation coverage at which the campaign aimed. The Committee will look at these aspects in turn.

4.48 There was some confusion in the evidence provided about the total cost of the advertising campaign. Initially, Mr Williams told an Estimates hearing that the 'indicative budget' of the advertising campaign itself was \$44.3 million and that an additional \$10.7 million was budgeted for the costs of the information booklet and the call centre.<sup>40</sup> Mr Williams disaggregated those costs as follows:

- \$44.3 million – Total advertising budget
  - \$2.9 million – July advertising tranche (media buy)
  - \$36.8 million – October advertising tranche (media buy)
    - \$21.4 million – television advertising
    - \$8.7 million – newspaper advertising
    - \$3.7 million – radio advertising
    - \$2.5 million – other (including non-English language newspapers, indigenous newspapers, radio for the print handicapped and internet advertising)
  - \$4.6 million – research, public relations and evaluation costs
- \$2.6 million – printing and distribution costs for 16-page information booklet
- \$8.1 million – call centre<sup>41</sup>

4.49 On this account, the total cost associated with the WorkChoices advertising campaign is \$55 million.

4.50 Later in evidence to the Estimates hearing, however, Mr Williams gave revised estimates for the cost of the advertising campaign. He said that the actual cost of the advertising component was \$6 million less than budgeted, and accordingly was reduced from \$44.3 million to \$38.3 million. Similarly, the actual cost of the call centre has been revised down from the budgeted figure of \$8.1 million to \$4.7 million. Mr Williams said: 'So we are not looking at \$55.1 million, we are looking at \$45.7

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40 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, pp 67, 75.

41 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, pp 68-75.

million ... [That] is the likely cost of the campaign, the advertising and the call centre arrangements'.<sup>42</sup>

4.51 On the next day, the Prime Minister, the Hon. Mr John Howard MP, reiterated that the 'real figure' for the government's expenditure on the campaign is \$45.7 million.<sup>43</sup> However, later on the same day, Senator Abetz was reported as saying that the higher figure of \$55 million was 'as accurate as you can get', and that it takes into account 'ongoing costs yet to be spent'.<sup>44</sup>

4.52 The exorbitant cost of the campaign was a function, in part, of the saturation coverage aimed at by the government.

4.53 For example, Mr Williams described for an Estimates hearing the intended 'reach and frequency' of the television components of the campaign. He said: 'we were targeting 95 per cent of the viewing audience seeing a commercial at least once during the campaign and 82 per cent of the viewing audience seeing the commercials three-plus times over the three-week period'. This meant, he noted, that the 'average viewer – which is the 50<sup>th</sup> percentile – would see it 29 times'.<sup>45</sup>

4.54 In addition to the television advertisements, an Estimates hearing was told that six million information booklets were produced for distribution. At 3 November 2005, 157,500 of the six million booklets had been ordered and just over 178,000 had been dispatched.<sup>46</sup> This meant that about 5.8 million booklets were left in the warehouse.

4.55 When asked whether there were prospects for using the remainder of the booklets, Mr Finn Pratt, Deputy Secretary, Department of Employment and Workplace Relations said that 'our education campaign will extend over a number of years, and that material will still be useful in future years when we go out and do seminars and things like that'.<sup>47</sup>

4.56 Mr John Kovacic, Group Manager, Workplace Relations Policy Group, Department of Employment and Workplace Relations, informed the Estimates hearing that in addition to the six million booklets produced, a further 458,000 booklets had

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42 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 95.

43 <http://www.abc.net.au/news/newsitems/200511/s1495370.htm> (accessed 1 November 2005).

44 <http://www.abc.net.au/news/newsitems/200511/s1495543.htm> (accessed 1 November 2005).

45 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 94.

46 *Estimates Hansard*, Senate Employment, Workplace Relations and Education Legislation Committee, 3 November 2005, p. 67.

47 *Estimates Hansard*, Senate Employment, Workplace Relations and Education Legislation Committee, 3 November 2005, p. 67.

been pulped at a cost of \$152,944.<sup>48</sup> The pulping of the booklets occurred as a result of a 'government decision',<sup>49</sup> so that the word 'fairer' could be inserted into the title, 'A simpler, fairer, national Workplace Relations System for Australia'.

4.57 The Committee considers the wastefulness evident in this campaign to be very disturbing. Did the government seriously think that six million households would seek an information booklet about legislation yet to be introduced to the Parliament? Did the government seriously think that it was necessary to expose the average viewer to 29 television advertisements in order to convey the information that reforms were proposed?

4.58 The extravagance of the advertising campaign suggests that the government has developed a disregard for the principles of accountability and stewardship in its expenditure of taxpayer funds.

### ***Lack of information in advertisements***

4.59 The lack of real information in the WorkChoices campaign advertisements becomes obvious when they are compared to certain other government advertising campaigns.

4.60 In a submission to the inquiry, Mr Chris Monnox compared the WorkChoices campaign to the Super Choice campaign which was run earlier in the year. He wrote:

Take for example the section of the Superchoices website dealing with advice to employees:

'Some funds may not offer insurance, or you may have to pass a medical examination or undergo a waiting period before they will cover you. There may also be restrictions for age, dangerous jobs, part-time or casual work, and maternity leave. Some funds make some insurance cover compulsory. Some allow you to opt out and not be charged, while others allow you to opt in.

'Decide how much insurance you want and compare the costs. These can vary significantly between different superannuation funds.'

What we have here is a simple statement of fact advising employees as to what superannuation funds may or may not cover.<sup>50</sup>

4.61 In a similar vein, the advertising campaign, Keeping the System Fair, advises people who are receiving government benefits in a straightforward manner of their obligations to report changed circumstances to the relevant agencies.<sup>51</sup>

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48 *Estimates Hansard*, Senate Employment, Workplace Relations and Education Legislation Committee, 3 November 2005, p. 66.

49 *Estimates Hansard*, Senate Employment, Workplace Relations and Education Legislation Committee, 3 November 2005, p. 66.

50 Mr Chris Monnox, *Submission 12*, p. 1.

4.62 These are cases of government advertising campaigns which advise people of information on which they need to act or of which they should be aware in relation to new arrangements.

4.63 By contrast, the WorkChoices advertising campaign does not provide information about new entitlements or specific obligations. Nor does it provide information about which people may need to be aware when negotiating a workplace agreement under the new arrangements.

4.64 For example, in a two-page newspaper advertisement that was run three times in the national papers, *The Australian* and *Australian Financial Review*, twice in the metropolitan newspapers and once in the regional, suburban, and rural newspapers, one entire page is taken up with the slogan, 'Australia can't afford to stand still'. On the second page, the major heading reads 'If we're serious about an even stronger economy, more jobs and higher wages we need a new workplace relations system'.

4.65 Under the heading, there follows a series of assertions such as:

- 'The current system is too complex, inflexible and outdated. It's costing Australians precious new employment opportunities'.
- 'Countries have the choices of either going forwards or backwards. Marking time is not an option'.
- 'Nations which have reformed their workplace systems have benefited from stronger economies, higher job growth and lower unemployment. Those that have been reluctant to reform their labour market systems continue to suffer from sluggish economic growth and high unemployment. The lesson for us all is simple'.
- 'The creation of WorkChoices will move us towards one simpler, national workplace relations system. It will improve productivity, encourage more investment, provide a real boost to the economy and lead to more jobs and higher wages'.<sup>52</sup>

4.66 The advertisements state opinions as facts. They provide no evidence which supports their assertions and no information about when the legislation will be introduced or what concrete effect it will have on individuals.

4.67 The purpose of the advertisements therefore seems primarily to persuade people of the need for reform of the workplace relations system, and secondly to counter certain fears about the reforms that the government believes may be current.

4.68 The puzzling aspect of the campaign is that it is hard to see what the government will achieve by undertaking it, and therefore hard to see what has been purchased with \$55 million of taxpayer funds.

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51 Mr Pete Searle, *Committee Hansard*, 7 October 2005, p. 33.

52 The full text of the advertisement is at Appendix 3.

4.69 If, for example, the campaigns on Super Choices or Keeping the System Fair achieve their purposes, then presumably more people will make responsible superannuation arrangements and more people on government benefits will claim only what they are entitled to. The campaigns will change people's behaviour.

4.70 However, in the absence of enacted legislation and detailed information, what can the WorkChoices campaign achieve? The real purpose of the campaign seems to be to try to persuade the public, in advance of any scrutiny or debate on the substance of the reforms, that whatever the legislation contains it must be supported. Such a campaign is properly called propaganda.

## **Conclusion**

4.71 In this chapter, the Committee has examined what the High Court judgement in *Combet v Commonwealth of Australia* has revealed about the legislature's control of government expenditure. This is a very serious issue which should greatly concern the Parliament. It raises questions and matters which are broader in scope than can be considered in detail by this inquiry.

4.72 The Committee therefore suggests that consideration should be given to referring the question of the impact of outcome budgeting for appropriations on the accountability of, and Parliamentary control over, government expenditure to a Senate Committee for inquiry and report. The inquiry should consider ways in which Parliamentary scrutiny of government expenditure can be enhanced before and after such expenditure has occurred.

4.73 In relation to the inquiry at hand, however, the High Court's judgement demonstrates that, as things stand, the appropriations process itself exercises almost no restraint on government expenditure on advertising activities.

4.74 The consequences of this lack of restraint are illustrated by the government's extravagant and irresponsible expenditure on the WorkChoices campaign.

4.75 In this context, it is all the more essential that a rigorous set of processes and guidelines govern departmental and government decision-making on proposed advertising campaigns, and that full disclosure of all elements of that expenditure is made. In the next chapter, the procedures that govern the decision-making process for government advertising are discussed. The adequacy of current guidelines and disclosure provisions are considered in Chapters 6 and 7.

## **Recommendation 1**

**4.76 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.**



## Chapter 5

### Decision-making processes

#### Introduction

5.1 In this chapter, the Committee outlines the processes involved in decision-making on Commonwealth government advertising, including the role of the Government Communications Unit and the Ministerial Committee on Government Communications.

5.2 The chapter is divided into three sections. The rest of this introductory section discusses the institutions and participants in the decision-making processes. Section two discusses these processes – including at what point and by whom various decisions are made. Section three discusses some criticisms and issues relating to the decision-making processes.

#### *Government Communications Unit (GCU)*

5.3 The evolution and history of the GCU is summarised by the following excerpt taken from its web site:

The GCU traces its origins to the Commonwealth Advertising Division, established in 1941 to coordinate government advertising, and to the Information Coordination Branch, established in 1982, to improve the delivery of government information. These units merged in 1984 to become the Office of Government Information and Advertising (OGIA) in 1989. In 1997 OGIA transferred from the Department of Administrative Services to the Department of Finance and Administration and, in 1998, as the GCU, it became part of the Department of the Prime Minister and Cabinet.<sup>1</sup>

5.4 Like its predecessors, the GCU is tasked with the role of coordinating and providing advice on the executive government's communications strategies, including advertising campaigns. In broad terms, the GCU assists ministers and their departments with 'communications issues' and provides secretariat support to the Ministerial Committee on Government Communications (MCGC). The GCU also manages the Central Advertising System (discussed below) and provides 'advice about the implementation of Australian Government branding'.<sup>2</sup>

5.5 The GCU's principal functions are to:

- provide strategic advice on proposed communications issues to the Prime Minister and the Ministerial Committee on Government Communications (MCGC);

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1 GCU, <http://www.gcu.gov.au/code/about/index.html> (accessed 14 September 2005).

2 GCU, <http://www.gcu.gov.au/index.html> (accessed 14 September 2005).

- maintain a whole of government overview of current and forecast communications activities;
- provide advice to the MCGC on major and/or sensitive campaigns;<sup>3</sup>
- provide advice on communications best practice, including research, public relations and advertising, to the MCGC and departments and agencies;
- monitor current industry developments and trends;
- provide a secretariat to the MCGC;
- maintain a register of communications consultants (including advertising agencies, public relations consultants, market research companies, graphic designers, writers and the like) interested in undertaking government work which is drawn on by departments and agencies seeking to engage consultants for communications activities;
- assist in developing communications strategies and briefs for consultants; and
- manage the Central Advertising System (CAS) to achieve effective media planning and cost-effective media placement for government advertising.<sup>4</sup>

### ***Central Advertising System (CAS)***

5.6 CAS operates as both a monopoly buyer of government advertising time and space,<sup>5</sup> and a monopoly supplier of government advertising contracts. In theory this unique situation should give the government significant market power, enabling it to influence the price of goods and services. The GCU states that the CAS:

...allows the Government to establish contractual arrangements, which have consistently achieved significant savings in the cost of media placement for departments and agencies.<sup>6</sup>

5.7 According to the government website [ads.gov.au](http://ads.gov.au), 'the Commonwealth Government is generally one of the largest national advertisers in Australia'.<sup>7</sup> Dr Sally Young, Lecturer, Media and Communications Program, University of Melbourne, stated that: 'the federal government has recently become the biggest advertiser in the

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3 A definition of 'major' and 'sensitive' is provided in the discussion on the MCGC below.

4 GCU, <http://www.gcu.gov.au/code/about/index.html> (accessed 14 September 2005); See also: *Submission 5* (PM&C) p.3; <http://www.ads.gov.au/dir154/tss/horizon/tender.nsf/About.html> (accessed 14 September 2005); Dr Richard Grant, *Research Note*, Parliamentary Library, 21 June 2004; [ads.gov.au: http://www.ads.gov.au/dir154/tss/horizon/tender.nsf/About.html](http://www.ads.gov.au/dir154/tss/horizon/tender.nsf/About.html) (accessed 14 September 2005).

5 Technically, this is a monopsony. Monopsony is a state in which demand comes from one source. If there is only one customer for a certain good, that customer has a monopsony in the market for that good; it is analogous to monopoly, but on the demand side, not the supply side.

6 GCU, <http://www.gcu.gov.au/code/about/index.html> (accessed 14 September 2005).

7 <http://www.ads.gov.au/dir154/tss/horizon/tender.nsf/About.html> (accessed 14 September 2005).



country out-spending commercial giants such as Coles-Myer, Holden, McDonalds and Coca-Cola'.<sup>8</sup>

5.8 Every Commonwealth department and agency that is subject to the *Financial Management and Accountability Act 1997* (FMA Act) must place *all* advertising, both campaign and non-campaign, through the CAS.<sup>9</sup>

5.9 Although the CAS is managed by the GCU, media specialists, or 'master media placement agencies', are engaged to 'assist in media planning, placement and rates negotiations with media outlets'.<sup>10</sup> Both Universal McCann and hma Blaze have been engaged on four-year contracts, which expire on 30 September 2006, to perform these activities—the former handling aspects relating to campaign advertising and the latter handling all non-campaign advertising.<sup>11</sup>

5.10 In its submission, PM&C stated that the primary rationale for having the CAS is to 'consolidate government advertising expenditure' and to 'ensure that Australian Government departments and agencies do not compete against each other for media time and space' as doing so would bid up the price, thereby increasing the cost for taxpayers.<sup>12</sup>

### ***Ministerial Committee on Government Communications (MCGC)***

5.11 The Prime Minister established the Ministerial Committee on Government Communications (MCGC) in 1996.<sup>13</sup> It replaced the former Ministerial Committee on Government Information and Advertising (MCGIA),<sup>14</sup> which had been established in 1982.<sup>15</sup>

5.12 The MCGC has a mandate to:

- approve the manner in which communications campaigns are delivered;
- ensure that all government information activities meet the information needs of the community; and

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8 Dr Sally Young, *Submission 3*, p.3; see also Dr Graeme Orr, *Submission 2*, p. 6.

9 Department of the Prime Minister and Cabinet, *Submission 5*, p. 1.

10 Department of the Prime Minister and Cabinet, *Submission 5*, p. 1.

11 Department of the Prime Minister and Cabinet, *Submission 5*, p. 1.

12 Department of the Prime Minister and Cabinet, *Submission 5*, p. 1.

13 Department of the Prime Minister and Cabinet, *Annual Report 1998-99*, p. 72.

14 Auditor-General, *Commonwealth Government Information and Advertising*, Audit Report No. 30, 6 June 1995, pp 3-4.

15 Finance and Public Administration Legislation Committee (2002) Report on the Charter of Political Honesty Bill 2000 [2002] and three related bills, p. 102.

- make key decisions relating to major and/or sensitive information activities undertaken by Commonwealth departments and agencies subject to the FMA Act.<sup>16</sup>

5.13 In regard to the last point, 'major' is defined as an information activity that involves the expenditure of \$100,000 or more. This sum is either the cost of the actual advertising campaign itself or any market research to the value of, or higher than, \$100,000.<sup>17</sup> 'Sensitive' is defined as an information activity which covers issues that 'might offend sections of the community or produce negative reactions from target groups'.<sup>18</sup>

5.14 The MCGC is also responsible for:

- selecting the successful consultant from a shortlist prepared by the department, assisted by the GCU; and
- approving the creative material and the media plan before it is placed in the media.<sup>19</sup>

5.15 Furthermore, the MCGC is 'responsible for scrutinising all departmental proposals for information activities to ensure that they are justified and well directed'.<sup>20</sup>

5.16 The Special Minister of State, Senator Abetz, chairs the MCGC. The name 'Ministerial Committee', however, is a misnomer because Senator Abetz is the only minister who is a permanent member of the committee. The other five permanent members include a parliamentary secretary, backbench MPs and senior ministerial staff.<sup>21</sup>

5.17 In addition to the permanent members, the responsible portfolio minister for the department proposing the campaign or their delegate sits on the MCGC for the

16 Department of the Prime Minister and Cabinet, *Submission 5*, p. 2; GCU, <http://www.gcu.gov.au/code/about/index.html#mcgc> (accessed 14 September 2005); <http://www.ads.gov.au/dir154/tss/horizon/tender.nsf/About.html> (accessed 14 September 2005).

17 GCU, [http://www.gcu.gov.au/code/infodept/gcu\\_req.html](http://www.gcu.gov.au/code/infodept/gcu_req.html) (accessed 14 September 2005).

18 Finance and Public Administration Legislation Committee (2002) Report on the Charter of Political Honesty Bill 2000 [2002] and three related bills, p. 102.

19 GCU, <http://www.gcu.gov.au/code/about/index.html#mcgc> (accessed 14 September 2005).

20 Department of the Prime Minister and Cabinet, *Guidelines for Australian Government Information Activities—Principles and Procedures*, February 1995, p. 4.

21 The current membership of the MCGC in addition to Senator Abetz is Mr Petro Georgiou MP, Mr Tony Smith MP, Mr Andrew Robb MP, Ms Sussan Ley MP and Mr Tony Knight. *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 63.

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deliberations on that campaign. The frequency of MCGC meetings is determined on an 'as needed basis'.<sup>22</sup>

5.18 Evidence given at a supplementary budget estimates hearing of the Finance and Public Administration Legislation Committee, in relation to the WorkChoices campaign, suggests that the MCGC meets at least once or twice a week when considering significantly high profile advertising campaigns. Referring to this campaign, Mr Williams, First Assistant Secretary, Department of the Prime Minister and Cabinet, stated that the MCGC held meetings on '12 August, 16 August, 18 August, 22 August, 30 August, 2 September, 6 September, 9 September, 13 September, 23 September, 27 September, 3 October and 6 October [2005]'.<sup>23</sup> He went on to say that 'those meetings basically considered the iterative process of developing an advertising campaign that resonates with the target audience, based on research'.<sup>24</sup>

### **The decision-making processes**

5.19 The overarching principles and regulations governing the processes are the:

- *Guidelines for Australian government information activities: principles and procedures* (the guidelines), February 1995; and
- Commonwealth Procurement Guidelines, 'which are based on the principles of value for money, open and effective competition, ethics and fair dealing, and accountability and reporting'.<sup>25</sup>

5.20 Within these broad guidelines the decision-making processes can be thought of as having at least three distinct phases: a developmental/research phase, a communications strategy and consultant selection phase and lastly, the advertising production and placement phase. Most of these phases are iterative processes involving the responsible department, its minister, the GCU and the MCGC. Excluding the GCU, each of these participants is responsible and accountable for making particular decisions along the way. These phases and their respective decisions are discussed later in the chapter.

5.21 Before moving to these, however, it is necessary to clarify who initiates government advertising campaigns.

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22 *Committee Hansard*, 19 August 2005, p. 107.

23 *Estimates Hansard*, Finance and Public Administration Legislation Committee, 31 October 2005, p. 97.

24 *Estimates Hansard*, Finance and Public Administration Legislation Committee, 31 October 2005, p. 97.

25 GCU, <http://www.gcu.gov.au/code/about/index.html#mcgc> (accessed 14 September 2005).

### ***Campaign Initiation***

5.22 The Special Minister of State, Senator Abetz, in his opening statement to the Committee's public hearing said:

I want to make one point clear in relation to oversight: the departments initiate campaigns. It is a common error among submissions [to this inquiry] that the Ministerial Committee on Government Communications somehow performs a proactive role in initiating campaigns. It does not.<sup>26</sup>

5.23 Explaining the overall process Senator Abetz reiterated this point and told the Committee that:

In general terms, there is a departmental initiative. The department believes that it needs some communication around it, as a result of which a communication strategy is developed by the department. That goes from the department to the Government Communications Unit and things get developed from there. Depending on what decisions are made, a shortlist of possible agencies is provided. These agencies are asked for submissions, they are put through a rigorous process and, usually, the final two are submitted to the committee [MCGC] for examination and determination. Then a decision is made. The funding for the campaigns comes out of the particular department that has initiated the campaign.<sup>27</sup>

5.24 The Committee notes that while the MCGC does not initiate advertising campaigns, portfolio ministers, who will sit on the MCGC, may do so. As Mr Williams observed:

...the minister is fulfilling two roles in a sense. He is fulfilling his role as a minister, so he approves material going to the MCGC, but he is a member of the committee for the purposes of considering the items that are being deliberated upon by the committee.<sup>28</sup>

5.25 The Committee accepts that the MCGC is not likely to formally initiate advertising campaigns itself. There are, however, obvious links between key participants which suggest that it is unrealistic to draw a hard line between departmental and ministerial initiation of advertising campaigns.

5.26 This important point emerged in discussion at a public hearing of the Committee:

Senator STEPHENS—Minister, my question to you is this: if the department did not come up with an advertising proposal or a campaigning proposal, would there be circumstances where the Prime Minister or perhaps you or the ministerial group itself might say that a public communication campaign would help to support this legislation?

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26 *Committee Hansard*, 19 August 2005, p. 78.

27 *Committee Hansard*, 19 August 2005, p. 83.

28 *Committee Hansard*, 19 August 2005, p. 93.

Senator Abetz—I indicated in my opening statement that the MCGC is not a proactive body but a reactive body. We react to that which is put to us by the various departments when they consider there is a need.

Senator CARR—So you never propose a campaign?

Mr Williams—Not that I can recall.

Senator Abetz—No.

Mr Williams—That is not to say discussions are not held between ministers' offices and ultimately a minister will come forward with his department suggesting a campaign.<sup>29</sup>

5.27 In other words, Senator Abetz's insistence that *departments* initiate campaigns should not be understood to mean that *ministers* have little role in this process. The Ministerial Committee on Government Communications does not, as a body, initiate campaigns but equally, the Committee does not believe that public servants initiate major campaigns unbidden and without ministerial direction and oversight.

5.28 There may be government communications activities, such as defence force recruitment, electoral or taxation related advertising, that are managed and initiated routinely by departments. However, major and sensitive campaigns such as the WorkChoices campaign are instigated by ministers at the highest level of government. Based on ministerial directives, the department 'initiates' the formal process with the GCU and MCGC.

### ***Development and research phase***

5.29 Notwithstanding who initiates a particular government advertising campaign, the formal processes start within the responsible portfolio department. At this stage and throughout all the processes, departments liaise with the GCU. Research consultants, according to their expertise, may also be engaged to assist in developing aspects of the campaign. The GCU's role, according to Mr Williams, 'is essentially as a facilitator'.<sup>30</sup> He stated that:

A department would come to the GCU with advice of a prospective campaign. Generally, depending on the nature and urgency of the campaign, we will start with some developmental research on the topic which will ultimately lead to a communication strategy and the appointment of consultants. GCU's role in that case is to look at the briefs that will go out to consultants to respond to. It will work with the department to identify a list of appropriate consultants to be approached. It will look at the communication strategy to see what the message is, what the target audience is and other issues associated with a proper communication strategy.<sup>31</sup>

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29 *Committee Hansard*, 19 August 2005, p. 109.

30 *Committee Hansard*, 19 August 2005, p. 87.

31 *Committee Hansard*, 19 August 2005, p. 87.

5.30 Mr Williams went on to say:

The GCU's role is to help get those lists and briefs into a shape that is proper to go out for the tender process. It is [also] there to ensure that the department is programmed into a meeting of the MCGC to have the MCGC consider it.<sup>32</sup>

5.31 The briefs and lists of possible consultants are first put to the portfolio minister for their general approval. Once approved the material is taken to the MCGC. If the MCGC's approval is given, the department and the GCU then begin the detailed development phase.

### ***Communications strategy and consultant selection phase***

5.32 During this phase several issues must be addressed and further developed from the previous phase. These include identifying a target audience, developing a communication strategy and identifying a list of appropriate consultants for select tender.<sup>33</sup> At this time the master media planning and placement agency is also preparing the media strategy and plan according to its brief from the department. Again, both the portfolio minister and MCGC are appraised of and *approve* the communications strategy, briefs and consultant list, and *note* the draft media plan.<sup>34</sup>

5.33 As indicated above, consultants are assessed through a select tender process. The consultants who would be considered must be registered with the GCU. The following exchange provides a concise explanation of this register:

Mr Williams—We do not go to open tender. We use a selective tender process. We take companies who are registered on the GCU register of consultants ... [which] is covered by the Commonwealth Procurement Guidelines.

Senator CARR—It is a panel?

Mr Williams—It is not a panel; it is a register.

Mr Taylor—We advertise every year inviting any companies in this field that would be interested in undertaking government work and those details are registered, along with their relevant experience et cetera. It could be in public relations, research, creative advertising companies et cetera. That is the list that we draw from to compile a list of candidates with relevant experience for particular campaigns.<sup>35</sup>

5.34 Following selective calls for tenders, the department, GCU and research consultant (if one is engaged) evaluate and test the tenders received. The department then recommends, or shortlists, two consultants for which the portfolio minister's

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32 *Committee Hansard*, 19 August 2005, p. 87.

33 Senator the Hon. Eric Abetz, *Submission 9*, p. 3.

34 Department of the Prime Minister and Cabinet, *Submission 5*, Attachment A.

35 *Committee Hansard*, 19 August 2005, pp 88-89.

approval is needed before the shortlist is considered by the MCGC. It is at this point that the MCGC selects the successful consultant.<sup>36</sup>

### ***Advertising production and placement phase***

5.35 This phase of the process is where two final decisions are made before the advertising campaign goes public. The successful consultant further develops and refines the 'creative materials'. According to the submission of Senator Abetz, the 'MCGC closely monitors creative development of the campaign including subsequent testing of materials to ensure they are capable of appropriately achieving the communications objective'.<sup>37</sup> The MCGC approves all the materials pre-production and again approves the final materials post-production. In other words, the MCGC first approves the concept for the campaign and second, it approves the final campaign product.

5.36 The final decision to be made concerns the plan for placing the advertisement in the media. The department, creative agency or consultant and the master media placement agency 'review and book a media plan', which is considered and given final approval by the MCGC.<sup>38</sup>

### ***Summary of the decision-making processes***

5.37 It is evident from the discussion above that there are various levels of decision-making during different phases of the overall process. These decisions are made at many levels of executive government, including departmental, ministerial, and the MCGC. Appendix 4 lists each step in the decision-making processes.

5.38 The Committee notes that the MCGC is the *prime* decision making body for government advertising campaigns. The MCGC makes the final decision at each phase of the process and is responsible for making the following key decisions:

- first, it must approve all the associated materials, including, but not limited to, briefs and lists of possible consultants;
- second, it must (i) approve the communications strategy and (ii) select the successful consultant; and
- third, it must (i) approve the final creative concept and final creative materials and (ii) the media placement plan.

5.39 The final question relating to decision making that the Committee examined was on whose authority the decision to expend Commonwealth funds on government advertising campaigns is made. As Senator Carr put it, 'is it the decision of the portfolio

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36 Department of the Prime Minister and Cabinet, *Submission 5*, Attachment A.

37 Senator the Hon. Eric Abetz, *Submission 9*, p. 4.

38 Department of the Prime Minister and Cabinet, *Annual Report 1998-99*, p. 72; Department of the Prime Minister and Cabinet, *Submission 5*, Attachment A.

minister, the relevant agency's communications unit, the MCGC or the GCU? Which one is it?<sup>39</sup>

5.40 The Committee heard that the responsible department, and by extension, the portfolio minister makes the final decision.<sup>40</sup> When the question of who makes the decision to expend funds was put to GCU officials, the Committee was told:

Mr Williams—The delegate within the department or agency who has the power to commit funds on behalf of that agency.

Senator CARR—It is the department that makes that decision?

Mr Williams—Yes.<sup>41</sup>

### **Criticisms and issues relating to the MCGC and GCU processes**

5.41 The following three matters relating to the MCGC and GCU processes were raised:

- efficiencies of centralised processes;
- evaluation of advertising campaigns; and
- application of the 1995 Guidelines.

#### ***Efficiencies of centralised processes***

5.42 Professor Bartos, Visiting Fellow, Asia-Pacific School of Economics and Government, Australian National University (and former deputy secretary to the Department of Finance and Administration 1997 to 2003) questioned the merits of centralised processes for government advertising and, in particular, the extent of any savings resulting from the GCU and the CAS.

5.43 Professor Bartos argued that 'the idea that centralised purchasing secures discounts for government has been comprehensively disproven in relation to a range of other formerly centralised services'.<sup>42</sup> He noted that 'government rates' in many cases may be nominally lower than the market's but suggested that centralised regimes inevitably cause other associated inefficiencies, thus raising the overall cost. 'The devolution of responsibility for their own purchasing decisions', according to Professor Bartos, 'has meant agencies have greater scope for innovation and for tailoring services to best meet their needs, generally at a lower cost'.<sup>43</sup>

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39 *Committee Hansard*, 19 August 2005, p. 86.

40 Senator the Hon. Eric Abetz, *Submission 9*, p. 3.

41 *Committee Hansard*, 19 August 2005, p. 86.

42 Professor Stephen Bartos, *Submission 7*, p. 9.

43 Professor Stephen Bartos, *Submission 7*, p. 9.



5.44 For example, Professor Bartos noted that large advertisers, such as the Department of Defence, are by themselves more than likely to obtain media discounts based on sheer volume and without the need of a centralised purchasing system. Savings then, are more likely found in smaller agencies without purchasing power.

5.45 However, he argued that these savings are nominal and with the real costs considered any savings are quickly eroded. Professor Bartos stated:

...any savings on the advertising rate are likely to be more than offset by the additional costs of having to go through the CAS and GCU processes. These *compliance costs* [emphasis added] are considerable – they involve additional expenditure within agencies associated with the time and effort involved in shepherding proposals through the processes, and also some risk to delivery of government programs given the delays they entail.<sup>44</sup>

5.46 Professor Bartos went on to say:

The cost of maintaining the GCU itself is also a factor, but a much lower cost than the invisible – but real – costs of compliance spread across FMA Act agencies as a whole.<sup>45</sup>

5.47 Another submission, from The Agency Register, stated that as of January 2005 there were about 915 advertising agencies operating in Australia but that the number of agencies contracted for major federal government advertising campaigns since 2001 was only around 20.<sup>46</sup> If these figures represent an accurate picture they suggest that the current level of competition for government advertising contracts is perhaps not as high as might be desirable. Lower competition implies higher prices than otherwise would be likely.

5.48 A second argument given for the centralised processes was that it ensures that agencies do not compete for advertising time and space. Commenting on this argument, Professor Bartos thought that excessive competition was unlikely, except perhaps during the pre-election 'advertising spike'. He stated that: 'if there were no such spike, this justification for centralised purchasing would be much less plausible'.<sup>47</sup>

5.49 The Committee notes two points here. First, this centralist approach is in contrast to the government's overall preference for the devolution observed in many other areas of public administration. Second, this discrepancy, together with the close editorial control exercised by the MCGC, enhances the perception that at least some government advertising campaigns may be used for political ends.

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44 Professor Stephen Bartos, *Submission 7*, pp 9-10.

45 Professor Stephen Bartos, *Submission 7*, p. 10.

46 The Agency Register, *Submission 10*, p. 1.

47 Professor Stephen Bartos, *Submission 7*, p. 10.

### ***Evaluation of advertising campaigns***

5.50 The Committee notes that responsibility for evaluation of government advertising campaigns resides solely with the initiating department. Evidence to the Committee indicated that the MCGC's formal involvement with particular advertising campaigns ceases once the campaign goes to air or print.

5.51 The Committee is unable to determine the extent to which departmental evaluations of the efficiency and effectiveness of campaigns are made available to and considered in detail by the MCGC. This of itself suggests that the intensity of evaluations is limited.

5.52 The Committee notes that there are at least three forms that evaluation of the effectiveness of campaigns might take, and that need to be distinguished here.

5.53 The first involves the *tracking* of the impact of a campaign, measured in terms of the public's awareness of a particular issue or their support for a particular proposal. The second involves evaluating whether the campaign met its planned target of reach and frequency of media placements. Finally, the third would involve evaluation of the efficiency and effectiveness of particular *facets* of the media strategy, or of particular creative concepts. Was it, for example, the radio advertisements or the television advertisements that really grabbed people's attention? Did the advertisement with one slogan have more impact than the alternate slogan? Did the *volume* of the advertisements placed create negative feedback from the community? What is the evidence that the particular target audience (for example, those entitled to family benefits payment) was actually reached by the advertisements?

5.54 In relation to the first form of campaign evaluation, tracking of a campaign's impact is done by departments and that the results of this tracking can be made available to the MCGC.<sup>48</sup> Mr Williams described the methodology used for tracking research in the following terms:

[T]racking research is done against a benchmark. It is a standard process. You attempt to benchmark knowledge levels and familiarity with particular issues, and your tracking research will tell you whether you are building on that benchmark. At the end of the campaign in your final element of tracking research you will be able to get a view on how much you have changed people's knowledge, based on the particular issue that the campaign has been focusing on.<sup>49</sup>

5.55 In relation to the WorkChoices advertising campaign, for example, the Department of Employment and Workplace Relations (DEWR) advised a Senate Estimates hearing that focus group and tracking research was undertaken and the

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48 Mr Greg Williams, *Committee Hansard*, 7 October 2005, p. 25.

49 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 99.

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results provided to the department and thence to the GCU and the MCGC.<sup>50</sup> Evidence indicated that those results were provided at times once or twice per week, and at other times at longer intervals.<sup>51</sup>

5.56 The second type of evaluation, the report on the campaign against its placement objectives, is routinely undertaken by the media placement company and, the Committee understands, is also provided to the MCGC. Mr Williams elaborated on the usefulness of this type of evaluation in the following terms:

When you are buying television you buy on the expectation of the programs you are in delivering certain ratings. The aggregate of that is in a sense the TARP [target audience rating point] weight of the campaign. Ex post you can see what those programs delivered in rating points and audience and you will get a more precise view on what you actually achieved. It is a standard process.<sup>52</sup>

5.57 When questioned on the evaluations to be conducted on the WorkChoices campaign, Mr Williams indicated that only the first and second types of evaluation were planned. He said:

You should, through your tracking research, conducted by Colmar Brunton, get an indication of the target audience's reaction to the campaign in terms of knowledge levels growing of particular elements of the campaign. And you will get, on your TV spend at least, more precision on your reach and frequency outcomes because you will actually know what has been delivered. So between the two you will get a better picture - .<sup>53</sup>

5.58 It appears from this evidence, then, that evaluations of the third type are not routinely conducted for major government advertising campaigns. That is, it does not appear that assessment of the effectiveness of particular facets of a campaign are commissioned by departments and provided to the MCGC.

5.59 Without such qualitative evaluation, however, it would seem that the MCGC is not in a position properly to assess the effectiveness of the media placement strategy and campaign concepts used for a particular campaign. This means that the MCGC is unlikely, as a body, to learn from past campaign successes or failures.

5.60 Given that the MCGC makes important decisions about the creative content and media placement strategy for government advertising campaigns, and given that

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50 Mr John Kovacic, *Estimates Hansard*, Senate Employment, Workplace Relations and Education Committee, 3 November 2005, p. 62.

51 Mr John Kovacic, *Estimates Hansard*, Senate Employment, Workplace Relations and Education Legislation Committee, 3 November 2005, p. 62.

52 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 99.

53 Mr Greg Williams, *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 31 October 2005, p. 99.

tens of millions of dollars of public funds are at stake, the Committee believes that this kind of evaluation should inform the MCGC's decision-making processes.

### ***Application of the 1995 Guidelines***

5.61 The Committee noted earlier in this chapter that the overarching guidelines for government advertising campaigns are the February 1995 *Guidelines for Australian government information activities: principles and procedures* (the guidelines).

5.62 The Committee is concerned that there appears to be no point in the decision-making processes of the MCGC at which the guidelines are formally considered and certified as having been met. This lessens accountability and makes it more difficult to assign responsibility.

5.63 Mr Williams advised that, as an advertising campaign is being developed, 'we look at the nature of the message and the target audience and we look to see that it is consistent with the guidelines', but that there is no formal process for a minister or someone representing the minister to certify that the campaign is in accord with the guidelines.<sup>54</sup>

5.64 The Committee recognises that guidelines may well be internalised and followed without there being a formal certification process. Such a formal process can itself risk becoming a mechanical 'tick and flick' exercise which does little to guarantee that the guidelines shape the choices made in developing a campaign.

5.65 Nevertheless, the Committee is concerned about this matter for two reasons. First, it seeks assurance that the guidelines really do inform the development of campaigns and are not simply a form of policy 'theory' or smokescreen which has no effect in day to day practice. The question over the relationship between guidelines and practice in this case is particularly pertinent, given the fact that the targets set by the guidelines for advertising in non-English language media are consistently not being met. This issue is discussed in detail in Chapter 6.<sup>55</sup>

5.66 Second, the Committee considers that it should be clear who it is that is accountable for the guidelines being met in relation to each campaign. Is it the portfolio minister whose department has commissioned the campaign? Is it the officials in the Government Communications Unit, or the Minister who chairs the MCGC?

5.67 Without clarity on this question, ministers or officials cannot be held to account in cases where the guidelines are not met. This may become particularly

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54 *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 25 May 2004, pp 143-145.

55 See paras 6.15-6.18.

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relevant if some of the suggested revisions to the current guidelines, discussed in the following chapter, are adopted.

## **Conclusion**

5.68 In this chapter, the Committee has outlined the decision-making processes involved in Commonwealth government advertising. It has highlighted concerns relating to the efficiencies of a centralised advertising system, feedback of detailed campaign evaluation to the MCGC and the extent to which the guidelines play a real role in shaping advertising campaigns.

5.69 The Committee also found that only limited evaluations of the effectiveness of campaigns are undertaken. While there is some degree of tracking of the impact of campaigns and reporting of campaigns against their objectives, no qualitative evaluation of the particular facets of campaigns occurs. This is a significant gap in the government's own oversight of its advertising strategies. Qualitative evaluations are routinely done as an element of program management across most areas of government activity. Without this form of evaluation the MCGC and relevant departments are unable to gauge the effectiveness of media strategies and campaign concepts. The Committee believes this needs to be rectified.

## **Recommendation 2**

**5.70 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.**

5.71 In the next two chapters of the report, the Committee considers the adequacy of the current guidelines, suggested revisions to them and other measures to improve the accountability framework for government advertising.



## Chapter 6

### Adequacy of the guidelines for government advertising

6.1 In Chapters 2 and 3, the Committee noted that no comprehensive statement of expenditure on government advertising and no reasoned justification of the need for or evaluation of the effectiveness of government advertising campaigns is made available, as a matter of routine accountability, on the public record. The Committee also noted that the system for appropriating funds for government advertising provides little restraint on government spending in this area.

6.2 Given some of these deficiencies in accountability, the Committee considers that there is a need for clear principles to be established to provide guidance to officials, ministers and the Parliament about appropriate practice for government advertising and information activities.

6.3 Accordingly, in this chapter, the Committee examines the adequacy of the current guidelines covering Australian government advertising, and considers the merits of proposed alternatives to these guidelines.

#### The 1995 Guidelines

6.4 The *Guidelines for Australian Government Information Activities: Principles and Procedures* (the guidelines) used by the Australian government were first promulgated in February 1995 by the Keating Labor Government.

6.5 In evidence to the Committee, the Special Minister of State, Senator the Hon. Eric Abetz, maintained consistently that these guidelines do not require any revision or updating. He said:

Given the criticisms of previous administrations with advertising, the 1995 guidelines were set up and, in considering them, we think they are pretty good guidelines.<sup>1</sup>

6.6 A little later in evidence, he reiterated the point:

We, as a government, overlook the whole system and we think it is working well. It is interesting that the principles and guidelines that we are using have been adopted by state governments, which I think might be seen as a bit of a tick of approval for them. You do not often get me saying this but the Labor government do sometimes get things right and when they do get

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<sup>1</sup> Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 102.

it right we acknowledge it and we keep using it. We think that in 1995, in general terms, they got it right.<sup>2</sup>

6.7 In summary terms, the focus of the 1995 guidelines is on providing for government information programs to be communicated effectively to the whole community.

6.8 The guidelines emphasise the rights of all members of the community to be informed about government programs, activities and policies that affect them.<sup>3</sup> They emphasise the need for information to be conveyed in such a way that it effectively communicates with the target audience as completely and impartially as practicable.<sup>4</sup>

6.9 They identify groups within the community, such as young people, the rural community, and those of non-English speaking background, whose particular needs must be considered in the development of information campaigns.<sup>5</sup> The guidelines set percentage quotas for the expenditure of campaign money on advertising in non-English speaking media<sup>6</sup> and they specify that the portrayal of women, ethnic communities and Aboriginal and Torres Strait Islander people must be 'realistic' and non-stereotypic, showing them as integral participants in and contributors to Australian society.<sup>7</sup>

### Revising the 1995 guidelines

6.10 The Committee considers that the 1995 guidelines effectively cover a range of issues concerning government information activities that are important and relevant.

6.11 There are three reasons, however, for revising the guidelines.

6.12 The first is that they are ten years old and were written in a very different context. In 1995, continuous election campaigning was not a feature of the Australian political process as it is now. Devolution of accountability to agency level had not yet

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2 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, p. 105. The Committee notes that these remarks do not appear to square entirely with either John Howard's promise to amend these same guidelines prior to the 1996 election, or with Senator Abetz's insinuation that the Carr government's spending on advertising in 2000-01 (using the guidelines) was excessive. See *Committee Hansard*, 19 August 2005, pp 77-78.

3 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, p. 2.

4 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, p. 3.

5 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, p. 3.

6 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, p. 5.

7 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, pp 3, 6.



occurred. This means that matters such as ensuring appropriate lines of process and accountability were not written into the guidelines. Technologies, such as the internet and mobile telephones, which were not widely used in 1995 are now key vehicles for advertising and marketing.

6.13 The Committee notes that there have been major revisions made by the Howard government in almost every other area of law, regulation and practice. Given that fact, and given the vastly different context in which the 1995 guidelines are now being applied, the Committee does not accept Senator Abetz's insistence that there is not one improvement, not one revision that could possibly be justified in relation to *these* guidelines.

6.14 The second is that, even as they stand, they are routinely not being met.

6.15 The guidelines state that 'at least 7.5 per cent of the campaign budget allocated to newspaper advertising must be devoted to non-English newspapers. Similarly, at least 7.5 per cent of the campaign budget allocated to radio advertising must be devoted to non-English radio'.<sup>8</sup>

6.16 Information provided by PM&C indicated that this target was not met in the case of newspaper advertising, and met only twice in the eight years since 1996-97 in the case of radio advertising. The following table illustrates the relevant percentages achieved.

**Table 6.1: Percentage of campaign budgets allocated to non-English media**

Year	Budget percentage allocated to non-English language newspapers	Budget percentage allocated to non-English radio
1996-97	2.0%	Figures not available
1997-98	4.4%	Figures not available
1998-99	4.4%	2%
1999-00	5.8%	13.8%
2000-01	4.5%	6.9%
2001-02	4.4%	4.8%
2002-03	5.6%	5.6%
2003-04	5.1%	9.3%

Source: Department of the Prime Minister and Cabinet, answers to questions on notice, 13 September 2005 (received 7 October 2005).

8 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, p. 5.

6.17 PM&C advised the Committee that Defence Force Recruiting is exempt from the requirement to allocate 7.5% of the advertising budget to non-English language newspapers and radio, that some campaigns in specific locations are not serviced by non-English language media and that 'for some large campaigns 7.5% expenditure would be excessive (eg. Taxation Reform)'.<sup>9</sup>

6.18 The Committee questioned PM&C about whether these caveats explain all the underspending on non-English language media, or whether the 1995 guidelines are simply not being complied with. The Committee had not received answers to these questions at the time of finalising this report. In either case, the non-compliance suggests that the percentages allocated under the guidelines are unnecessary and that the guidelines need revision.

6.19 The third reason for revising the 1995 guidelines is that they are silent on the major question before this inquiry, namely the potential for the misuse of government advertising for political advantage.

6.20 As the Auditor-General pointed out in his 1998 audit about aspects of the government's pre-election GST advertising campaign, 'there are currently no guidelines on the use of the central advertising system for party-political advertising in particular, which distinguish between government program and party political advertising'.<sup>10</sup>

6.21 The Auditor-General noted then that, because of concerns about precisely this issue internationally, 'many jurisdictions recognise that ... there is a need for clear principles to be established to provide guidance in this area'.<sup>11</sup> He endorsed this approach, saying that 'the development and adoption of conventions, principles and guidelines that provide more specific guidance on the use of government advertising would be helpful'.<sup>12</sup>

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9 Department of the Prime Minister and Cabinet, answers to questions on notice, 19 August 2005 (received 7 October 2005).

10 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 22 [emphasis in original].

11 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 28.

12 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 30.

6.22 This view was also adopted by the Senate Finance and Public Administration Legislation Committee in its 2002 report on the so-called 'political honesty' bills.<sup>13</sup> At that time, the Committee agreed that there was strong evidence to support the argument that arrangements for the regulation of the political content of government advertising needed to be improved.<sup>14</sup> The Committee noted that:

the present guidelines on government advertising offer no guidance to departments or ministers on the avoidance of political content in government advertising campaigns.<sup>15</sup>

6.23 The report noted too that the process of developing and placing government advertising campaigns is administered by the Government Communications Unit in PM&C, and decisions about the appropriateness of any major or 'sensitive' campaign are made by the Ministerial Committee on Government Communications. This means that it is 'the ministry itself which determines what constitutes responsible use of the ministerial office in relation to government advertising' and that, in the absence of any rules or guidelines 'preventing the party political use of government advertising ... decisions about content and presentation style are wholly in the power of the Executive'. The government's own majority report then went on to say that:

This lack of guidance allows the party in government to conduct government advertising campaigns, particularly in the lead up to an election, without any reference to standards regarding the appropriate use of public monies to promote government interests as distinct from party interests.<sup>16</sup>

6.24 For that reason, the Senate Finance and Public Administration Legislation Committee's 2002 report recommended revisions to the 1995 guidelines on government advertising.<sup>17</sup>

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13 The Committee examined four individual pieces of proposed legislation – three Private Senators' Bills and a Private Member's Bill – all of which attempted to address issues of probity in public affairs and public confidence in the institutions of government. Senate Finance and Public Administration Legislation Committee, *Report on the Charter of Political Honesty Bill 2000 [2002]*; *Electoral Amendment (Political Honesty) Bill 2000 [2002]*; *Provisions of the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000*; *Auditor of Parliamentary Allowances and Entitlements Bill 2000 [No.2]*, August 2002 [hereafter, Political Honesty Report].

14 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

15 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

16 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

17 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

6.25 The government did not implement that recommendation, and appears to have resiled from the Committee's conclusions on this issue. As noted earlier, Senator Abetz maintained throughout this inquiry that there is no need for the current guidelines to be revised. His argument was based on the claim that it had not been proved that any of the current government's advertising campaigns were party political, and therefore that there was no 'abuse' to correct.

6.26 The Committee does not accept the premise of Senator Abetz's argument. However, even if that premise were accepted, it does not constitute an argument against the need for guidelines addressing the issue. This point was made cogently by Professor Charles Sampford, Foundation Professor of Law, Griffith University and Director, Key Centre for Ethics, Law, Justice and Governance. He said:

it is obvious beyond repetition that accusations of the abuse of government advertising are made by each side against the other and that the prevalence of complaints has risen with the scale and gloss of government advertising campaigns ... Each side considers that the other has abused the power it has as government to provide spin rather than information. The logical conclusion is that both agree that a temptation exists and that at least one political party has given in to the temptation. One does not have to take sides and agree with one party – or to say that each are right about the other.<sup>18</sup>

6.27 The point is, Professor Sampford concluded, that there is self-evidently a temptation to abuse and there is a risk that governments will give in to the temptation. There is almost universal agreement that at least one party has given in to temptation.<sup>19</sup> Therefore, there is a need, in public policy terms, to implement arrangements which reduce the likelihood of future governments succumbing to it.

6.28 As the Committee indicated in Chapter 1, irrespective of whether there has been misuse of government advertising for party political purposes by the current or previous federal governments, or state and territory governments, good public administration and good ethical standards require a robust accountability framework in this area.

6.29 Accordingly, the Committee considers that the need for guidelines that specifically address the issue of the potential for the misuse of taxpayer funded government advertising programs for party political purposes is undeniable.

6.30 In the next section of the report, the Committee considers the principles and guidelines suggested by a number of different reports, with a view to developing recommended guidelines for Australian government advertising. In particular, the Committee considers the principles and guidelines suggested by:

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18 Professor Charles Sampford, *Submission 4*, p. 1.

19 Professor Charles Sampford, *Submission 4*, p. 1.

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- the 1998 Auditor-General report, *Tax Reform: Community Education and Information Programme*;
  - the 2000 Joint Committee of Public Accounts and Audit (JCPAA) report, *Guidelines for Government Advertising*; and
  - the 2002 Senate Finance and Public Administration Legislation Committee (F & PA) report, *Charter of Political Honesty Bill 2000 [2002]*; *Electoral Amendment (Political Honesty) Bill 2000 [2002]*; *Provisions of the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000*; *Auditor of Parliamentary Allowances and Entitlements Bill 2000 [No.2]*.

### **Auditor-General's principles and guidelines**

6.31 The principles and guidelines suggested by the Auditor-General were derived from guidelines adopted in New Zealand and the United Kingdom, and suggested as a result of reviews of government advertising in Victoria, New South Wales, Queensland, Western Australia and British Columbia.<sup>20</sup> They comprised two underlying principles and four guidelines.

6.32 The two underlying principles proposed were:

- all members of the public have equal rights of access to comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations, except where providing this information would be a breach of government responsibility; and
- governments may legitimately use public funds to explain their policies, programs and services and to inform the public of their obligations, rights and entitlements.<sup>21</sup>

6.33 In summary terms, the four overarching guidelines proposed were:

- **Material should be relevant to government responsibilities.** Relevant considerations under this heading are that an information strategy should be considered as a routine and integral part of policy development and planning, and that no campaign should be contemplated without identifying the need and target audience through appropriate market research. Examples of suitable uses for government advertising include: dissemination of scientific, medical or safety information; provision of information to facilitate government accountability; provision of information about new, existing or proposed government policies, programs or services.

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20 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 57.

21 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, p. 57. The principles and guidelines are also summarised and discussed in Senate Finance and Public Administration Legislation Committee, *Political Honesty Report*, p. 105.

- **Material should be presented in an objective and fair manner.** This means that information campaigns should be directed at providing 'objective, factual and explanatory information', presented in an unbiased manner and capable of being substantiated and independently verified. Recipients of information should be able to distinguish clearly between facts and any comment, opinion and analysis, and any comparisons made should not be misleading.
- **Material should not be liable to misrepresentation as party political.** Material should not intentionally promote or be perceived as promoting party-political interests. Accordingly, it should be presented in unbiased and objective language, not directly attacking or scorning the views of others such as opposition parties, and should avoid using party political slogans or images, including ministerial photographs.
- **Distribution of sensitive material should be controlled.** As a general rule, material that is politically controversial should not reach members of the public unsolicited except where the information clearly and directly affects their interests. Generally, such material may be issued only in response to direct requests. Further, government advertising material should not be used or reproduced by political parties in support of party-political activities without 'appropriate approval'. Material should be produced and distributed in a cost-effective manner, following a justifiable cost-benefit analysis. Thus, objectives 'which have little prospect of being achieved, or which are likely to be achieved only at disproportionate cost, should not be pursued without good reasons'. Advertisements must comply with relevant law and with purchasing and procurement policies.<sup>22</sup>

### **Joint Committee of Public Accounts and Audit**

6.34 In 2000, the Joint Committee of Public Accounts and Audit (JCPAA) reviewed the Auditor-General's report and, in particular, his proposed guidelines for government advertising. The then Chair of the Committee, Mr Bob Charles MP, noted in his foreword to the JCPAA's report that the issue of government advertising guidelines is highly controversial in a party-political sense. Nevertheless, he said, the Committee 'determined that it wished to produce draft guidelines for Government to consider which, while not perfect nor totally agreed by all Committee members, do represent the majority and largely consensual views of the Committee'.<sup>23</sup>

6.35 Mr Charles reported that the JCPAA took the guidelines suggested by the Auditor-General in 1998 as its starting point. It compared these proposed guidelines with the existing 1995 guidelines, and with other guidelines in both Australian and

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22 Auditor-General, *Taxation Reform: Community Education and Information Program*, Audit Report No.12, October 1998, pp 57-60. See also Senate Finance and Public Administration Legislation Committee, *Political Honesty Report*, p. 105.

23 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, p. iii.

overseas jurisdictions. These included guidelines proposed by the Australasian Council of Auditor-Generals, the audit offices of Queensland and Victoria, and the guidelines of the United Kingdom and New Zealand governments.<sup>24</sup>

6.36 The main differences between the JCPAA draft guidelines and those proposed by the Auditor-General are as follows:

- the underlying principles include an additional clause, stating specifically that 'government information programs shall not be conducted for party-political purposes';
- under the second sub-heading, 'Material should be presented in an objective and fair manner', the JCPAA guidelines include three additional dot points which address the accessibility of information to disadvantaged individuals or groups. These new dot points essentially incorporate the elements of the 1995 guidelines which require that particular attention be given to the communication needs of young people, the rural community and people of non-English speaking backgrounds, and also that attention be given to the appropriate portrayal in government advertising of women, ethnic communities, and Aboriginal and Torres Strait Islander communities;
- the Auditor-General guideline headed 'Distribution of sensitive material should be controlled' is omitted, and a dot point is added to the previous guideline which states just that 'distribution of unsolicited material should be carefully controlled' and that all advertising material and the manner of its presentation should comply with relevant law, including broadcasting, media, privacy and electoral law; and
- an additional guideline, headed 'Material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability' is included. This guideline states that information campaigns should be justified by a cost-benefit analysis and that the campaign 'should be justified in terms of society's needs, efficiency and effectiveness, and there should be a clear audit trail regarding decision making'.<sup>25</sup>

6.37 The then Deputy Chair of the JCPAA, Mr David Cox MP, argued for the incorporation of an objective test for the expenditure of public money on government information campaigns, to determine the threshold between party political and appropriate expenditure by government. In particular, he suggested that no expenditure of public money on mass advertising should occur until the legislation to implement the relevant policy, program or service has been passed; and, where a proposed advertising campaign covers a matter that does not require legislation, an

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24 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, p. iii.

25 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, pp 4-7; see also Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 106.

appropriation for the specific purpose of the campaign must be obtained. He proposed that the only exclusions to these requirements be where major issues of public health, public safety or public order arise at short notice.<sup>26</sup>

6.38 The JCPAA did not adopt Mr Cox's proposals in its guidelines.

6.39 In addition, another member of the Committee, Mr Petro Georgiou MP, dissented from components of the JCPAA's guidelines headed 'Material should not be liable to misrepresentation as party political' on the grounds that:

- in a highly combative political system, materials which are non-partisan are open to misrepresentation as party political; and
- the dot points indicating the factors to be used to determine whether material can be perceived as 'party political' do not provide a sufficiently clear and objective basis for assessing whether or not such a perception is valid.<sup>27</sup>

6.40 Senator Abetz relied on these remarks by Mr Georgiou to argue against adopting any part of the JCPAA's proposed guidelines.<sup>28</sup> The Committee notes, however, that neither Mr Georgiou nor Mr Cox dissented from the JCPAA's statement of the underlying principles governing the use of public funds for government information programs. There was therefore unanimous support from the JCPAA for the principle that 'government information programs shall not be conducted for party-political purposes'.

6.41 The JCPAA recommended that the Government adopt its guidelines for government advertising. It noted that there were different views within the Committee over whether the guidelines should be legislated or left as Ministerial or Cabinet guidelines.<sup>29</sup>

### **Senate Finance and Public Administration Legislation Committee**

6.42 In 2002, the F&PA Legislation Committee reported on its inquiry into four pieces of proposed legislation introduced as either Private Member's or Senator's Bills. The four pieces of legislation were:

- the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000 introduced into the House of Representatives by the Hon. Mr Kim Beazley MP;

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26 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, p. 2.

27 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, p. 3.

28 Senator the Hon. Eric Abetz, answers to questions on notice, 19 August 2005 (received 7 October 2005); *Committee Hansard*, 19 August 2005, p. 104.

29 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, p. 3.



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- the Charter of Political Honesty Bill 2000 [2002] introduced into the Senate by Senator Andrew Murray;
  - the Electoral Amendment (Political Honesty) Bill 2000 introduced into the Senate by Senator Andrew Murray; and
  - the Auditor of Parliamentary Allowances and Entitlements Bill 2000 introduced into the Senate by Senator John Faulkner and into the House of Representatives by the Hon. Mr Kim Beazley MP.<sup>30</sup>

6.43 Two of these bills, the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000 and the Charter of Political Honesty Bill 2000 [2002], proposed measures to better regulate government advertising. The measures proposed in both bills drew largely on the guidelines proposed by the Auditor-General and the JCPAA, but also advocated enforcement of those guidelines respectively through the courts and through a committee including the Auditor-General and the Ombudsman.<sup>31</sup>

6.44 These proposals were discussed in the F&PA Legislation Committee's report, which raised a number of concerns about the enforcement provisions. Largely because of these concerns, the Committee recommended that the bills not proceed.

6.45 Nevertheless, as noted above, the F&PA Legislation Committee also concluded that there was strong evidence to support the argument that arrangements for regulating the political content of government advertising need to be improved 'in the face of public criticism'.<sup>32</sup> The Committee notes that public criticism has not abated. Indeed, if anything, it has increased.

6.46 The Committee therefore recommended that, 'as a minimum', the 1995 guidelines should be amended to include 'a clear statement of the fundamental principle: that government information programs should not be, or be liable to misrepresentation as being, party political'.<sup>33</sup>

6.47 The F&PA Legislation Committee acknowledged that it is difficult to codify the distinction between what is party political and what is not. However, it noted that its recommended 'fundamental principle' had been recognised in the United Kingdom's equivalent guidelines together with elaboration on how that principle is to

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30 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 1.

31 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, pp 108-119.

32 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

33 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

be applied. The Committee said that it saw 'no reason why similar material should not be contained in the Australian guidelines'.<sup>34</sup>

6.48 The F&PA Legislation Committee recommended that the guidelines proposed by the Auditor-General and the JCPAA, in combination with evidence received by its inquiry, should be used as a basis for developing a detailed set of standards. It agreed, however, with the Auditor-General that the development of standards on these matters is 'essentially political', and that consequently it is for Parliament as a whole to examine, decide and issue detailed guidelines on what is appropriate.<sup>35</sup>

6.49 Accordingly, the Committee's government majority recommended that the task of developing these standards be referred to a new joint parliamentary committee.<sup>36</sup> This recommendation was not acted upon by the government.

### **Government arguments against revision of 1995 guidelines**

6.50 In evidence to this Committee, the government mounted two arguments against the revision of the 1995 guidelines using those proposed by previous inquiries as a basis.

6.51 The first argument, as noted above, was that there is no need to revise the existing guidelines. That argument in turn relies upon the claim that there are no 'problems' with government advertising practice that are not covered by those guidelines.

6.52 The Committee finds Senator Abetz's dogged defence of the sufficiency of these guidelines somewhat undermined by the fact that his government consistently fails to meet the only measurable requirement they contain, namely the requirement that 7.5% of expenditure on advertising in newspapers and on radio be spent on non-English language media. Further, his insistence that there is nothing 'necessary for accountable, efficient and cost-effective delivery of information activities'<sup>37</sup> that is not covered fully by the 1995 guidelines is simply not borne out by comparison between them and the revised guidelines proposed by the Auditor-General and the JCPAA.

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34 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

35 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 121.

36 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 122. The government's majority on the Committee had recommended the establishment of a new joint parliamentary committee, the Joint Standing Committee on a Code of Conduct for Ministers and Other Members of Parliament, and so recommended that the task of developing guidelines be referred to that body.

37 Senator the Hon. Eric Abetz, answers to questions on notice, 19 August 2005 (received 7 October 2005).

6.53 For example, in relation to the requirements of objectivity and impartiality, the 1995 guidelines say that:

All information programs conducted by departments should be as impartial and as complete as practicable and based on the information needs and capacities of the target audience. Information programs should be based on relevant research, and contain feedback and evaluation mechanisms where possible. Departments should use simple, clear language in all communication with the public to ensure their messages are easily understood.<sup>38</sup>

6.54 The Auditor-General and JCPAA guidelines state:

The following guidelines are suggested to assist in determining whether the material communicated is presented in an explanatory, fair, objective and accessible manner:

- Information campaigns should be directed at the provision of objective, factual and explanatory information. Information should be presented in an unbiased manner;
- Information should be based on accurate, verifiable facts, carefully and precisely expressed in conformity with those facts. No claim or statement should be made which cannot be substantiated.
- The recipient of the information should, to a practical and reasonable extent, be able to distinguish clearly and easily between facts on the one hand, and comment, opinion and analysis on the other.
- When making a comparison, the material should not attempt to mislead the recipient about the situation with which the comparison is made and it should state explicitly the basis for the comparison.<sup>39</sup>

6.55 There is nothing incorrect about the overall statement of principle given by the 1995 guidelines on this matter. Only someone wishing to wilfully avoid the requirements of objectivity and impartiality, however, could claim as Senator Abetz did that this second set of guidelines 'offers nothing of value in addition to the 1995 Guidelines'.<sup>40</sup>

6.56 The second of Senator Abetz's arguments against revising the 1995 guidelines is that it is not possible to codify the distinction between 'government' and 'political'

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38 Australian Government, *Guidelines for Australian Government Information Activities: Principles and Procedures*, February 1995, para 2.6.

39 Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, p. 5. See also Auditor-General, *Taxation Reform: Community Education and Information Programme*, Audit Report No.12, October 1998, p. 58.

40 Senator the Hon. Eric Abetz, answers to questions on notice, 19 August 2005 (received 7 October 2005).

advertising, and that any attempt to make such distinctions will require public servants to make essentially political judgements.

6.57 In his submission to the Committee, Senator Abetz made both these points. On the first issue, he said that the requirement in both the Auditor-General's and the JCPAA's proposed guidelines that 'material should not be liable to misrepresentation as party political' is unworkable in a combative political system. He argued that:

Even seemingly innocuous and bipartisan campaigns could become the subject of political controversy. For example, doctrinaire pacifist parliamentarians could claim that something as accepted as 'Defence Force Recruitment' is 'party political' because it reinforces a view of Australian defence – ie. armed forces – which is at odds with their own view. Another seemingly innocuous example is the 'Tough on Drugs' campaign that carries an overtly anti-marijuana message, despite the fact that there are some parliamentarians who actively support the decriminalisation and use of that drug.<sup>41</sup>

6.58 The Committee notes that Senator Abetz has confused two separate issues in these remarks. He has confused the question of whether there may be controversy over the content of certain advertisements with the question of the reasons for that controversy. He has failed to notice the distinction between controversy which arises on *policy* grounds or because of *policy* differences, and controversy which arises because of the misuse of taxpayer funds in the service of essentially *political* interests.

6.59 In other words, Senator Abetz's argument implies that it is not possible to distinguish between government advertising campaigns that inform the public of policies or advise of entitlements, whether one endorses those policies or not, and advertising campaigns that promote the government's views in a partisan way. This is clearly not the case.<sup>42</sup>

6.60 The Committee acknowledges that whether a particular campaign to advertise a government policy or program avoids 'partisan promotion' of that policy is a matter of judgement. There may be differences of opinion on these questions, and no guidelines can provide an absolutely objective way of drawing the line. However, this does not mean that it is impossible to make any judgements at all on these issues. Other governments in other countries do it quite easily.

6.61 As was illustrated by the discussion in Chapter 4, it is clearly possible to distinguish between a campaign such as the WorkChoices campaign which asserts disputed political opinion as fact and those, such as the Super Choices or the Keeping the System Fair campaigns, which state the facts about government policies and the obligations they impose on citizens.

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41 Senator the Hon. Eric Abetz, *Submission 9*, p. 5.

42 It is interesting to note that Senator Abetz himself found no difficulty in making such a judgement when he recently publicly criticised a Tasmanian government advertising campaign promoting a business telephone hotline. See *The Mercury*, 28 October 2005, p. 5.

6.62 Senator Abetz raised a second objection to the 'workability' of any of the proposed guidelines. He claimed that the adoption of guidelines requiring a judgement on the 'partisan political' content of advertisements would place public servants in an invidious position. He said:

if the ANAO/JCPAA recommendations were to be implemented, officials would be required to certify that each element of any information campaign could, in no way, be misinterpreted as 'party political', yet that official would have no objective criteria to support their decision for any such certification ... Thus, any Government official effectively stakes their reputation and career on the probability that no MP will criticise, either with or without justification, that particular advertising campaign.<sup>43</sup>

6.63 A similar point was made in the submission from the Department of the Prime Minister and Cabinet, which spoke about the 'subjectivity and difficulty' for officials of interpreting whether a particular information campaign would be 'liable to misrepresentation as "party political"'.<sup>44</sup> The submission continued that:

It would always be difficult for officials to make judgements in these areas. For example, any advertising to promote understanding of a government policy could be regarded as not being 'free from partisan promotion'. In practice, it would be more appropriate to resolve these interpretations at the Parliamentary and political level.<sup>45</sup>

6.64 The Committee considers that these arguments are highly misleading. As is clear from the previous chapter's discussion of the processes involved in decision making about government advertising, these judgements *are* made at the political level. Officials provide advice and are involved in implementing government approved advertising campaigns, but it is the Executive itself through the MCGC that approves every major and 'sensitive' campaign.

6.65 It is the members of the Executive, and not officials, who would therefore be required under the guidelines to make the judgement that a particular campaign is directed at promoting party political interests or not. The argument that officials would be placed in an invidious position by the government's adoption of the guidelines is a complete furphy.

## Conclusion

6.66 The Committee considers that the guidelines proposed by the JCPAA, which combine both the Auditor-General's guidelines and the essential elements of the 1995 guidelines regarding effective communication to the whole community, provide a comprehensive basis for a set of principles and guidelines for government advertising.

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43 Senator the Hon. Eric Abetz, *Submission 9*, p. 5.

44 Department of the Prime Minister and Cabinet, *Submission 5*, p. 5.

45 Department of the Prime Minister and Cabinet, *Submission 5*, pp 5-6.

The Committee cannot give credit to a line of argument that says that every line of those principles and guidelines has no merit.

6.67 The Committee considers, however, that the two sets of additional remarks made by Mr Cox and Mr Georgiou raise points that should also be taken account of in implementing the guidelines.

6.68 First, the Committee considers that no expenditure of public money for mass media advertising should be undertaken until the government has obtained passage of the legislation giving it authority to implement the relevant policy, program or service. Where a proposed public information or education campaign covers a matter which does not require legislation, an appropriation for the specific purpose of the campaign must be obtained. The requirement should not be enforced in situations where major issues of public health, safety or public order have arisen at short notice.

6.69 Second, the Committee considers that the heading of the guideline which states that 'material should not be liable to misrepresentation as party political' may give rise to unnecessary debate and controversy. The heading should read instead that 'material should not be directed at promoting party political interests'.

6.70 The question of what other measures might need to be taken to give effect in practice to such principles and guidelines is considered in the next chapter.

### **Recommendation 3**

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

### **Recommendation 4**

**6.72 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'.**





## Chapter 7

### Enforcement of guidelines and other accountability mechanisms

#### Sufficiency of guidelines

7.1 The Committee acknowledges that general guidelines on government advertising have, on their own, limited power to direct the activities of the government. As Mr Harry Evans, the Clerk of the Senate, noted in his submission:

[The guidelines] amount to little more than an injunction that government advertising projects must not be party-political ... Their application would involve a great deal of subjective judgement. Because of this subjective element, governments could run partisan campaigns while claiming adherence to the guidelines, by pointing out that any claim that advertisements are partisan is merely a matter of personal opinion.<sup>1</sup>

7.2 This means that, even if the government were to adopt the JCPAA guidelines or some version of them, the 'problem' of government advertising being used or having the potential to be used for partisan political purpose will not be automatically solved. Guidelines will only be effective in the context of a broader accountability framework.

7.3 In this chapter, the Committee considers the question of the enforceability of the guidelines, as well as other mechanisms which could be part of an overall accountability framework.

#### Enforceability of guidelines

7.4 This inquiry received little new evidence on the question of how any guidelines covering the legitimate use of government advertising might be enforced. There was, however, extensive discussion of this issue in the inquiry into the 'political honesty' bills by the Senate Finance and Public Administration Legislation Committee (F&PA Committee) in 2002. In this section, the Committee reviews the major elements of that discussion.

7.5 There seem to be three main options available for monitoring and enforcing guidelines on government advertising, which could be implemented either singly or in some combination. They are: first, enforcement of the guidelines through the court system; second, establishing some form of independent scrutiny of proposed advertising campaigns; and, third, enabling more effective parliamentary scrutiny and accountability.

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1 Mr Harry Evans, *Submission 6*, pp 2-3.

### ***Court enforcement***

7.6 An example of a proposal to monitor and enforce guidelines on government advertising directly through the court system was provided by the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000, introduced by the Hon. Kim Beazley MP.

7.7 The *Financial Management and Accountability Act 1997* contains a criminal offence, with a maximum penalty of seven years' imprisonment, that applies where a minister or official misapplies or improperly uses or disposes of public money.<sup>2</sup> The Bill sought to amend the Act to state that it is improper to use or permit the use of public money for a 'government information program' that does not comply with the principles and guidelines set out in the schedule to the Bill. That means that it is for the courts to decide whether or not there has been a breach of the guidelines.<sup>3</sup>

7.8 Again, under this kind of proposal, the guidelines would be legislated and their interpretation taken outside the Parliamentary arena. However, in this case, monitoring of the legitimacy of particular campaigns would always take place after the campaigns had run, rather than in the context of seeking prior approval.

7.9 The arguments raised against this proposal were:

- that to create a criminal offence punishable by up to seven years' imprisonment by reference to such vague guidelines would result either in a high likelihood of any prosecutions failing or a temptation to judicial activism;
- that it is 'inimical to the traditions of the Australian criminal law system' to invoke the criminal law to deal with a situation that is essentially political; and
- that courts are ill-equipped to make the kinds of determinations that would be required.<sup>4</sup>

7.10 The Committee agrees with the views on this proposal expressed in the additional comments and points of dissent by Senator the Hon. John Faulkner and Senator Michael Forshaw to the F&PA Legislation Committee report. The Senators recognised 'the serious difficulties ... of creating a criminal offence by reference to guidelines which necessarily lack precision and involve a large element of subjective assessment'.

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2 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 103.

3 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 103.

4 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, pp 117-119.

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### ***Independent scrutiny***

7.11 The Committee is aware of three different proposals for ensuring independent scrutiny of proposed government advertising campaigns. In this section, it outlines those proposals and then develops its own view in response.

### ***Government Publicity Committee***

7.12 The Charter of Political Honesty Bill 2000 [2002] introduced by Senator Murray proposed the establishment of an independent body, to be called the Government Publicity Committee, to monitor and enforce compliance with guidelines for government advertising campaigns.

7.13 The bill proposed that the members of the Government Publicity Committee be the Auditor-General, the Ombudsman and 'a person with knowledge and experience in advertising' to be appointed by the Auditor-General.<sup>5</sup> According to the bill, if the Committee considered that an advertising campaign did not comply with the guidelines, it could direct that the campaign be withdrawn or modified. The Committee would also be given the power to determine whether the objective of a campaign was legitimate, and whether a campaign was likely to achieve its stated objective. If not, the committee could order that the campaign be withdrawn.<sup>6</sup>

7.14 Senator Murray's proposal required that the guidelines become statutory or legislated guidelines, and that the independent body have recourse to the courts if a Commonwealth agency or employee failed to comply with its directions.

7.15 An objective of the bill, elaborated upon by Senator Murray, was to provide a mechanism whereby an advertisement that breached the guidelines could be withdrawn or modified at the time, rather than having to be adjudicated upon after the event when, perhaps, the 'damage' had already been done.<sup>7</sup>

7.16 There were, however, significant arguments raised against this proposal, including:

- concern about the subjectivity of the judgements required to be made by the independent body, especially given the lack of precision in the guidelines;
- the danger of politicising the role of offices such as the Auditor-General and the Ombudsman if they were able to direct that a campaign be withdrawn; and

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5 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 102.

6 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 103.

7 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 112.

- the lack of provision for the review of the decisions and directions made by the body, and the fact that courts could be drawn into essentially political debates.<sup>8</sup>

7.17 The Committee recognises these concerns.<sup>9</sup> Senator Murray has accepted these are valid concerns, but continues to argue for an independent oversight body.

### ***Independent commission for advertising***

7.18 Other proposals concerning the establishment of some kind of independent body, but not requiring the involvement of the Auditor-General or the Ombudsman, have also been made. For example, in evidence on the Charter of Political Honesty Bill 2000 [2002], Mr Evans, Clerk of the Senate, said that he 'saw merit' in the establishment of a separate independent body, such as a government advertising tribunal, that would adjudicate on precise guidelines.<sup>10</sup>

7.19 Likewise, in his submission to this inquiry, Professor Charles Sampford, Foundation Professor of Law, and Director, Key Centre for Ethics, Law, Justice and Governance, Griffith University, argued that:

...it is time to recognize that we need an institutional solution that puts approval of government advertising in the hands of an independent body ... I recall the debates about gerrymanders that raged for most of the first century of federation. Each side had its own arguments about why what they did was OK and the other side was terrible. We have now largely taken redistributions out of the hands of politicians and put them in the hands of independent electoral commissions. It is one of those developments of our integrity system that are now completely accepted and which we trumpet to the world and occasionally provide useful and important assistance to fledgling democracies. I would like to suggest that the time is overripe for another development of our integrity system of which we can be retrospectively proud.<sup>11</sup>

7.20 In evidence given at a public hearing, Professor Sampford elaborated on the mechanism that might be used to appoint the members of such an independent

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8 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, pp 109-114.

9 The Committee notes that legislation was introduced in Ontario, Canada, in December 1994 which requires that the provincial Auditor-General review specific types of advertising by government offices before they are released. The review includes assessing whether an advertisement has as its primary aim to promote the partisan political interests of the governing party. Under this legislation, any item that does not, in the opinion of the Auditor-General, meet the standards required by the Act cannot be used and the Auditor-General's decision is final. Dr Sally Young, *Submission 3b*, pp 4, 17.

10 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 115.

11 Professor Charles Sampford, *Submission 4*, p. 2.

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commission for advertising. He suggested that the independent commission be appointed by a parliamentary committee, and that each appointment require multi-party support.<sup>12</sup>

7.21 As with Senator Murray's original proposal, Professor Sampford saw that an advantage of this kind of solution is that it would allow a system of prior approval of government advertising campaigns to be established.<sup>13</sup> In his words:

You want to have somebody making that primary decision, and that comes back to my big point: prior advice is better than subsequent investigation ... If you rely on subsequent investigation and exposure, it actually raises the stakes, and it also does not raise standards of behaviour as much as if you actually have the prior advice, especially if you have the capacity to actually get this a rubber stamp saying, 'This is done with integrity; this is within the guidelines', particular when it comes to say a government advertising campaign prior to an election campaign.<sup>14</sup>

7.22 Professor Sampford was questioned about whether, in reality, governments would be prepared to give up their capacity to run advertising campaigns without having to seek prior approval or being constrained by an independent arbiter. In response, he reiterated his earlier example of Australian governments giving up their capacity to determine electoral distributions. Professor Sampford suggested that there are two primary incentives for governments to relinquish the power they have in this area.

7.23 First, it is in governments' own interests to have fair rules because governments will be in and out of office. Once out of office, they may find the benefits of incumbency being used against them. He noted that 'obviously that interest fluctuates depending on whether you are in government or not'.<sup>15</sup>

7.24 Second, he said that the credibility of the institutions over which governments are fighting is an issue. 'If the credibility of winning government is tainted by an allegation of a gerrymander ... the office is not worth as much because the winners have been tainted'. Similarly, he suggested, democracy involves at heart the understanding that 'if only the public had a fair description of your views, compared to the other side's views, they would join you'. If you undermine people's capacity to gain a fair understanding of your views, or the other side's views, then you undermine a very important democratic principle.<sup>16</sup>

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12 Professor Charles Sampford, *Committee Hansard*, 19 August 2005, p. 28.

13 Professor Charles Sampford, *Committee Hansard*, 19 August 2005, p. 36.

14 Professor Charles Sampford, *Committee Hansard*, 19 August 2005, p. 36.

15 Professor Charles Sampford, *Committee Hansard*, 19 August 2005, p. 37.

16 Professor Charles Sampford, *Committee Hansard*, 19 August 2005, p. 37.

7.25 Professor Sampford also suggested that there might be direct advantages in government advertising campaigns having the imprimatur of an independent body. He said:

As far as straight-out efficiency is concerned, if any government wants to communicate information to the public, the fact that it has gone through this independent scrutiny will make it much more credible, people are much more likely to believe it and you will not have to spend as much money on it ...<sup>17</sup>

### ***Scrutiny by Public Service Commissioner***

7.26 Finally, the Committee notes the proposal for independent scrutiny of government advertising made by Mr Kelvin Thomson MP in a Private Member's bill, that was read for the first time on 12 September 2005. The bill includes a modified version of the JCPAA guidelines and provides that 'a Minister, a Commonwealth agency or an official must not take any action that is contrary to the Guidelines'.<sup>18</sup>

7.27 The bill then provides that for each advertising project proposed by a Commonwealth agency which is estimated to cost \$250,000 or more, the Chief Executive of the agency must make a statement to the Public Service Commissioner. The statement must include information about the purpose and target audience of the advertising, information about the tendering and contracting arrangements, the estimated cost of the project, the compliance of the project with the guidelines and the extent of, and reasons for, any non-compliance.<sup>19</sup>

7.28 The Commissioner must assess the proposed advertising project, and recommend that the project be approved or not.<sup>20</sup> The Commissioner's assessment must be tabled in Parliament and provided to the responsible Minister.<sup>21</sup> The responsible Minister 'must take into account any recommendations that the Commissioner makes'.<sup>22</sup> The Minister cannot approve a proposed advertising campaign until the Commissioner has reported, except where the project addresses

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17 Professor Charles Sampford, *Committee Hansard*, 19 August 2005, p. 39.

18 Government Advertising (Prohibiting the use of taxpayers' money on party political advertising) Bill 2005, Part 2, subclause 5(2).

19 Government Advertising (Prohibiting the use of taxpayers' money on party political advertising) Bill 2005, Part 2, subclause 6(2).

20 Government Advertising (Prohibiting the use of taxpayers' money on party political advertising) Bill 2005, Part 2, subclause 7(1).

21 Government Advertising (Prohibiting the use of taxpayers' money on party political advertising) Bill 2005, Part 2, subclause 7(4).

22 Government Advertising (Prohibiting the use of taxpayers' money on party political advertising) Bill 2005, Part 2, subclause 7(6).

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major issues of public health, public safety or public order that have arisen at short notice.<sup>23</sup>

### ***Committee proposal – report by Auditor-General***

7.29 The Committee notes that the merits of all these proposed 'institutional solutions' to the issue of government advertising are that they attempt to address the potential impact of government advertising campaigns in propaganda as well as fiscal terms.

7.30 The very fact, however, that they attempt to address this issue means that any body charged with approving or withholding approval of proposed advertising campaigns may be vulnerable to being caught in political cross-fire.

7.31 The Committee seeks to draw on the strengths of a number of the proposals outlined in this section, while being realistic about the fact that ultimately the development and approval of advertising campaigns is in the hands of the government of the day. The Committee also does not wish an independent scrutineer to duplicate monitoring that is taking place by other means.

7.32 Accordingly, the Committee makes the following proposal for ensuring some degree of independent scrutiny of government advertising activities:

- Once an advertising campaign valued at \$250,000 or more has been finalised and has been given final approval by the MCGC, the advertisements must be submitted to the Auditor-General or their delegate for assessment. The advertisements are to 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 whether the campaign complies with the revised guidelines on government advertising, and the extent of any non-compliance.
- It is open to the department and the Minister to make the changes necessary to bring the campaign into compliance, or to reject the Auditor-General's report.
- 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.
- 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.

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23 Government Advertising (Prohibiting the use of taxpayers' money on party political advertising) Bill 2005, Part 2, subclauses 7(7) and 7(8).

7.33 The Committee notes that the former NSW Auditor-General, Mr Tony Harris, endorsed the notion that it was appropriate for the Commonwealth Auditor-General to audit government advertising campaigns for their legality and their efficacy.<sup>24</sup>

7.34 It may be argued that this proposal still risks politicising the office of the Auditor-General. The Committee does not believe this will occur for the following reasons.

7.35 First, the Auditor-General routinely makes critical findings relating to government departments, programs and policy implementation. Indeed, the role of the Auditor-General is to improve the integrity of public administration by examining where the government is not meeting its own guidelines or stated objectives. The extent to which the government is being successful in this regard is always a matter of judgement and analysis, rather than of mechanical checking against a set of undisputed 'facts'.

7.36 This proposal requires simply that the Auditor-General evaluate the extent to which the government is complying with the guidelines on government advertising that the Committee has recommended the government adopt. It is therefore not different in kind to the evaluations and performance audits that the Auditor-General routinely conducts on other activities of government.

7.37 As Mr Harris said:

ANAO has a duty to perform audits that are relevant to improving the legality and efficiency, economy and effectiveness of government. ANAO may not validly question the merits of government policies, but it may – and must – examine their legality and their efficacy. Indeed, if ANAO avoided audits solely because they are controversial, it would be failing its duty.<sup>25</sup>

7.38 Second, this proposal does **not** require that government advertising campaigns are approved by the Auditor-General before they can be run, nor that the Auditor-General may direct the withdrawal of an advertising campaign. Rather, government advertising campaigns are simply certified as complying with the guidelines or not, and a report on the extent of any non-compliance made available to the Parliament and the public.

7.39 The consequences of any non-compliant government advertising being implemented remain a matter for the Parliament to pursue.

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24 Mr Tony Harris, *Submission 8*, p. 6.

25 Mr Tony Harris, *Submission 8*, p. 5.



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### *Effective parliamentary scrutiny*

7.40 The third option that is available for monitoring government compliance with any guidelines on government advertising is the establishment of conditions for more effective parliamentary scrutiny.

7.41 The F&PA Legislation Committee report discussed this option in terms of a suggestion from the Ombudsman that a parliamentary committee be established for the purpose. Parliament, it was proposed, could set the standards to be considered and the committee might recommend action 'related to a Minister' or reimbursement to the relevant agency of money spent on politically partisan advertisements.<sup>26</sup>

7.42 This option would not require that the guidelines or standards be legislated, and would put the issue of making judgements about political matters back in the sphere of politics.

7.43 A concern expressed about this proposal was that any parliamentary body which had 'right of veto' over an executive government advertising program would find its role difficult.<sup>27</sup>

7.44 However, an advantage of this proposal is that it would allow parliament to scrutinise proposed advertising campaigns in advance of their being broadcast, and to directly monitor large-scale expenditure of public funds. The scrutiny proposed is analogous to that undertaken by the Joint Standing Committee on Public Works, which considers expenditure of \$6 million or more on all public works sponsored by Commonwealth departments and major statutory authorities with large building programs.

7.45 Another approach to ensuring more effective parliamentary scrutiny of advertising activities would be to require that the Parliament have access to all information relevant to the government's decision making about the need for and the appropriation of funds for government advertising campaigns. Provided with this information, the Parliament would then be in a position better to hold the relevant Minister to account for the expenditure of funds in his or her portfolio.

7.46 The Committee notes that this approach falls into the 'subsequent investigation' rather than 'prior advice' category, but considers that it is a necessary element of any effective accountability framework in this area. The question of what information might be required by the Parliament to exercise this role will be considered in part in the next section of the report.

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26 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 115.

27 Senate Finance and Public Administration Legislation Committee, Political Honesty Report, p. 115.

## Other accountability mechanisms

7.47 In evidence to the Committee, two other accountability mechanisms were suggested which have not previously been discussed in the report. They were, first, caps on expenditure and, second, further disclosure provisions.

### *Caps on expenditure*

7.48 The case for implementing caps on expenditure on government advertising was put most comprehensively to the Committee by Dr Graeme Orr, Senior Lecturer, Law, Griffith University.<sup>28</sup>

7.49 Dr Orr's view is that the 'real problem is not government advertising occasionally straying into the political, but the great inflation in expenditure on it'.<sup>29</sup> According to Dr Orr, it is probably true that all government advertising, however bland, can generate some goodwill towards the government. Therefore, he maintained, the problem of 'incumbency benefit' from government advertising is a problem of its quantity or cumulative effect as much as its quality or overtly political tone.

7.50 For that reason, Dr Orr suggested that rather than focusing so heavily on guidelines for the *content* of government advertising, Parliament should legislate caps on its expenditure. He said:

Caps could include specific tailored allocations for certain unexceptionable and recurrent types of advertising: eg. government recruitment (including defence) and citizenship drives. Alternatively caps could be worded so as to apply to all advertising *except* such nominated types of advertising.<sup>30</sup>

7.51 The advantage of this approach, noted Dr Orr, is that caps are a 'bright-line' approach, compared to the more subjective task of determining undue 'politicalness' in particular campaigns.<sup>31</sup> They allow Parliament to be involved in determining 'what is a reasonable limit on government advertising', but they allow the government to retain the discretion to prioritise and control expenditure on particular information activities. Dr Orr suggested that:

Any campaigns in excess of the periodic limit set would have to be the subject of specific debate and authorisation by Parliament. It ought become parliamentary convention that only truly exceptional events should justify a particular proposed campaign being the subject of funding above the cap.<sup>32</sup>

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28 Dr Graeme Orr, *Submission 2*, pp 10-12; the proposal was also supported by Dr Sally Young, *Submission 3*, p. 11.

29 Dr Graeme Orr, *Submission 2*, p. 10.

30 Dr Graeme Orr, *Submission 2*, p. 10. Dr Orr also suggested that caps should be set in such a way as to limit the government's opportunity to have a 'spike' in advertising activity in the lead up to an election.

31 Dr Graeme Orr, *Submission 2*, p. 10.

32 Dr Graeme Orr, *Submission 2*, p. 11.

7.52 Dr Orr noted that this system could operate in tandem with a set of guidelines covering the content of government advertisements, and that such guidelines might still be required to the extent that 'government advertising acts out a "permanent campaign" tactic'. Nevertheless, he argued that caps could take much of the 'sting' out of the problem, 'which lies in the cumulative cost and effect of excessive expenditure, and the "spikes" prior to elections'.<sup>33</sup>

7.53 The Committee agrees with Dr Orr that the cumulative effect of large-scale government advertising campaigns may itself purchase political goodwill for the government, even if the content of these advertisements is not overtly partisan. The Committee also agrees that an advantage of Dr Orr's proposal is that it takes the pressure away from finding a suitable mechanism for evaluating the partisan-political nature of particular government advertising campaigns.

7.54 However, apart from the practical difficulties of implementing the required legislation, the Committee has some concern about the underlying principles of this approach.

7.55 Effectively, the proposal would see the power of the executive to determine its expenditure priorities ceded to the Parliament. Dr Orr argued that 'Parliament is sovereign as regards appropriations, and it is parliamentary democracy that is most at risk from partisan abuse of government advertising by the executive'.<sup>34</sup> The Committee considers, though, that while it is true that Parliament approves proposed government expenditure through the appropriations process,<sup>35</sup> that is not the same thing as having the Parliament itself pre-emptively determine the quantum of expenditure that should be allowed to the government for particular functions for which it is responsible.

7.56 The Committee does not consider that introducing a system of Parliamentary caps on expenditure on government advertising is either practically feasible, or consistent with the underlying principles of Parliamentary control of government expenditure.

### ***Further disclosure provisions***

7.57 At present, disclosure of expenditure on government advertising is made in the annual reports of each government department or agency. A total figure for the amount of government advertising expenditure put through the Central Advertising System is also provided in PM&C's annual report.

7.58 As noted in Chapter 2, nowhere is there at present provided:

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33 Dr Graeme Orr, *Submission 2*, p. 11.

34 Dr Graeme Orr, *Submission 2*, p. 11.

35 As noted in chapter 4, the nature of Parliamentary 'approval' of government expenditure may be in very broad terms, with Parliament having little idea of the details of proposed expenditure.

- a total figure for the amount spent on government advertising across all agencies;
- a total figure for each department or agency for the amount spent on government advertising; or
- a total consolidated figure for the amount spent on each campaign.

7.59 Nor is it possible from the information provided to calculate any of those figures with any degree of confidence.

7.60 As a matter of routine accountability, no detailed information is provided about the rationale or market research justifying the need for particular government advertising campaigns, no information is provided about any cost-benefit analysis of proposed campaigns or campaign strategies, and there are no published evaluations of their effectiveness.

7.61 The Committee considered two main proposals for improving the disclosure of information about government advertising campaigns. They were the Senate resolution of 29 October 2003, and the Canadian government model.

### ***Senate resolution of 29 October 2003***

7.62 The Senate resolution of 29 October 2003 requires that a statement be tabled in the Senate for each advertising or public information project undertaken by any agency, where the cost of the project is estimated or contracted to be \$100,000 or more. The statement is to be tabled within five sitting days of the Senate after the project is approved and must indicate the following:

- (a) the purpose and nature of the project;
- (b) the intended recipients of the information to be communicated by the project;
- (c) who authorised the project;
- (d) the manner in which the project is to be carried out;
- (e) who is to carry out the project;
- (f) whether the project is to be carried out under a contract;
- (g) whether such contract was let by tender;
- (h) the estimated or contracted cost of the project;
- (i) whether every part of the project conforms with the Audit and JCPAA guidelines; and
- (j) if the project in any part does not conform with those guidelines, the extent of, and reasons for, the nonconformity.<sup>36</sup>

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36 The Senate, *Standing Orders and other orders of the Senate*, November 2004, Procedural Orders of Continuing Effect 10.

7.63 The government declined to comply with this resolution on 12 February 2004. In a statement to the Senate, Senator the Hon. Robert Hill said that the government had provided information about government advertising and information projects through the Senate order on departmental and agency contracts, departmental and agency annual reports, and through the gazettal of contracts on the internet. He also cited the mechanisms of questions on notice and Senate estimates hearings as additional sources of information on these matters.

7.64 Senator Hill noted that the government had not adopted either the Auditor-General's or the JCPAA's guidelines on government advertising. He concluded that:

The government continues to support a broad approach which allows detailed scrutiny and accountability but avoids duplication and unnecessary complexity and cost. Therefore our position is that the existing levels of scrutiny should continue and will be underpinned by the former government's 1995 guidelines in relation to implementing government communication activities.<sup>37</sup>

7.65 The Committee acknowledges that some, though by no means all, of the information required by the Senate's resolution *is* available through the mechanisms outlined in Senator Hill's statement.<sup>38</sup> In fact, since most of this information is **not** provided through standard reporting mechanisms such as annual reports, questions on notice and Senate estimates hearings are the primary sources for it.

7.66 However, almost as important for accountability purposes as the *availability* of information, is the *timeliness* of the provision of that information. In seeking a consolidated statement of the state-of-play of government advertising arrangements on a regular basis, the Senate is seeking the information it needs to monitor the government's advertising activities as they are being developed.

7.67 Senator Murray, for example, lodged questions on notice to all departments and agencies requiring the same information as the Senate's resolution in May 2004. The complete set of answers to those questions still had not been provided by May 2005, even though the failure of the departments to provide the answers had been raised during Senate Estimates hearings in November 2004 and February 2005.<sup>39</sup> Delays of this nature mean that it may be impossible for the Parliament to react in a timely way to the misuse of public funds on politically motivated government advertising campaigns. This sort of delay does not reflect well on the government either, and adds to the perception of a politicised process.

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37 Senator Robert Hill, *Ministerial Statement*, 12 February 2004, reprinted in Senator the Hon. Eric Abetz, *Submission 9*, pp 6-7.

38 See Mr Harry Evans, *Submission 6*, pp 3-4 for an analysis of the validity of the government's reasons for refusing to comply with the Senate resolution.

39 *Estimates Hansard*, Senate Finance and Public Administration Legislation Committee, 23 May 2005, p. 173.

7.68 The Committee notes that the information required by the Senate resolution is significantly less than would be required to answer the key questions identified by the Clerk of the Senate in his submission to the Committee and discussed in Chapter 3.<sup>40</sup> In the Committee's view the provision of this information would not be sufficient to ensure full parliamentary accountability in relation to government advertising. Nevertheless, it may be sufficient to allow parliament to identify emerging problems which require further scrutiny. Mr Evans said:

The rationale of the resolution is that the particular information required might signal possible problems with particular projects which could then be selected for more intense scrutiny. For example, if a large contract was let without tenders being called, this could indicate a possible problem requiring further information.

This is a satisfactory basis for parliamentary scrutiny of all kinds. It is not possible for the Parliament to require full details of everything or to fully scrutinise everything. The sound approach is to require basic information about government activities and select possible problem areas for closer examination.<sup>41</sup>

7.69 For this reason, the Committee considers that, if the government were to comply with this resolution, it would significantly improve the parliament's capacity to hold the government to account in relation to its government advertising program. The Committee urges the government to comply with the Senate resolution of 29 October 2003.

### ***Canadian Government model***

7.70 The Canadian Government introduced radical changes to its government communication and advertising processes in 2003-04.<sup>42</sup> The Committee understands that these changes were driven by controversy over its contracting arrangements and a detailed and highly critical report on the government's advertising activities by the Canadian auditor-general.<sup>43</sup> Dr Sally Young indicated in evidence to the Committee that, in her view, the new Canadian system is 'exemplary in terms of mechanisms in place to ensure transparency and accountability in regard to government advertising'.<sup>44</sup>

7.71 There are three key features of the disclosure regime now operating in Canada, which the Committee considers are worthy of serious consideration. They are:

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40 Mr Harry Evans, *Submission 6*, p. 1; chapter 3, p. 29.

41 Mr Harry Evans, *Submission 6*, p. 4.

42 Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, p. 7. Available from [www.pwgsc.gc.ca/advrptpub/text/index-e.html](http://www.pwgsc.gc.ca/advrptpub/text/index-e.html) (accessed 28 September 2005).

43 Dr Sally Young, *Submission 3*, p. 11.

44 Dr Sally Young, *Submission 3b*, p. 2.

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- annual reports on government advertising;
  - annual reports on public opinion research; and
  - publication of other relevant information.<sup>45</sup>

7.72 The Canadian Government produces an annual report specifically on government advertising, which consolidates and provides information about all government advertising activities for the financial year. This report provides a comprehensive summary of major campaigns run, a complete list of expenditure by each government organisation on advertising services including the costs of planning, creation, production, and media placement of advertisements, a list of the suppliers used by the Government of Canada, a diagram showing the percentage of advertising expenditure by media type, and a table showing advertising expenditure per month.<sup>46</sup> Extracts of this part of the annual report are at Appendix 6.

7.73 The report also contains an appendix with detailed information about major campaigns. This information includes 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'.<sup>47</sup> Extracts of this part of the annual report are at Appendix 7.

7.74 In relation to public opinion and market research, the Committee has earlier noted the potential for research purchased with taxpayer funds to be used for partisan advantage. As Dr Sally Young noted in her submission, this research is 'potentially of great benefit when research such as focus groups, opinion polls and surveys drive political party strategy, planning, campaigning and advertising'.<sup>48</sup>

7.75 The Canadian Government communications policy specifically encourages public opinion research to be undertaken in the development of programs, policies and services. This research is coordinated and managed by a central agency within government, to ensure procurement of the best value for money services and also to foster the sharing of research across the Government of Canada.

7.76 Importantly, this central agency is responsible for ensuring that research reports are available to the public through the National Library of Canada and the

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45 Dr Sally Young, *Submission 3b*, pp 2-3.

46 Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, pp 14-18. Available from [www.pwgsc.gc.ca/advrptpub/text/index-e.html](http://www.pwgsc.gc.ca/advrptpub/text/index-e.html) (accessed 28 September 2005).

47 See, for example, Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, pp 25-26. Available from [www.pwgsc.gc.ca/advrptpub/text/index-e.html](http://www.pwgsc.gc.ca/advrptpub/text/index-e.html) (accessed 28 September 2005). See also, Dr Sally Young, *Submission 3b*, pp 13-15.

48 Dr Sally Young, *Submission 3b*, p. 2.

Library of Parliament. This means that research purchased with public funds is able to be read and made use of by the public.

7.77 The central agency also produces the annual report on public opinion research on behalf of the government. This report provides information including the total government expenditure on public opinion research, expenditure by agency, a breakdown of the type of research commissioned 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.<sup>49</sup>

7.78 Finally, other relevant information made publicly available by the Canadian Government includes:

- posting all advertising contracts awarded through the 'Communication Procurement Directorate' on the Contracts Canada website, and all those above \$10,000 on departmental websites; and
- posting all approved advertising funding on the Treasury Board of Canada Secretariat's website.<sup>50</sup>

7.79 In addition to these disclosure measures, the Committee was impressed by a number of the objectives that the Canadian Government had set for itself in order to improve accountability for government advertising expenditure. In particular, the Committee notes the stated objectives of:

- reducing spending (including through a 15 percent reduction in the amount spent on media placement, representing a savings of \$36 million over three years);
- reallocating advertising resources from lower to higher priorities;
- producing fewer and more effective campaigns;
- focussing primarily on programs and services; and
- ongoing monitoring of results.<sup>51</sup>

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49 Government Information Services Branch, Public Works and Government Services Canada, *Public Opinion Research in the Government of Canada, Annual Report 2003-2004*, October 2004. Available from [www.communication.gc.ca/reports\\_rapports/por\\_rop/2003-2004/03-04\\_toc.html](http://www.communication.gc.ca/reports_rapports/por_rop/2003-2004/03-04_toc.html) (accessed 28 September 2005). See also Dr Sally Young, *Submission 3b*, pp 2, 16.

50 Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, p. 20. Available from [www.pwgsc.gc.ca/advrptpub/text/index-e.html](http://www.pwgsc.gc.ca/advrptpub/text/index-e.html) (accessed 28 September 2005).

51 Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, p. 19. Available from [www.pwgsc.gc.ca/advrptpub/text/index-e.html](http://www.pwgsc.gc.ca/advrptpub/text/index-e.html) (accessed 28 September 2005).



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## Conclusion

7.80 In this chapter, the Committee has considered possible mechanisms for enforcing compliance with guidelines on government advertising, as well as other accountability measures.

### Recommendation 5

**7.81 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.**

7.82 The Committee considers that there are two measures that will most effectively enhance the accountability framework for government advertising.

7.83 The first of these measures is monitoring of and reporting by the Auditor-General on the government's compliance with revised guidelines.

### Recommendation 6

**7.84 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.**

### Recommendation 7

**7.85 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.**

### Recommendation 8

**7.86 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.**

7.87 The second measure required to enhance the accountability framework for government advertising is substantially increased disclosure of information about advertising expenditure.

7.88 The Committee is of the view that the Senate Order of 29 October 2003 relating to advertising projects goes some way to identifying the information that is required for effective parliamentary scrutiny in this area. In particular, by requiring that a statement of information about advertising projects be tabled within five sitting days of the Senate after the project is approved, the Senate Order ensures that the Parliament is able to monitor the government's major advertising expenditure and activities on a reasonably contemporaneous basis.

7.89 The Committee rejects the government's assertion that the information required by the Senate Order can be discovered by the Parliament by other means within the stated timeframe.

### **Recommendation 9**

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

7.91 The Committee considers that, although a necessary first step in improving government accountability for its advertising activities, the Senate Order is not sufficient to ensure that all essential information is provided. In particular, the Committee notes that the following information is required for minimum accountability to the Parliament:

- a total figure for the amount spent each financial year on government advertising across all agencies;
- a total figure for each department or agency for the amount spent each financial year on government advertising; and
- a total consolidated figure for the amount spent on each campaign.

7.92 Also required is an appropriate level of transparency about the rationale or market research justifying the need for particular government advertising campaigns, any cost-benefit analysis of proposed campaigns or campaign strategies, and evaluations of their effectiveness.

7.93 The Committee considers that the new Canadian system of disclosure of information about government advertising is exemplary and should provide a model for the Australian government.

### **Recommendation 10**

**7.94 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;

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- 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'.

#### **Recommendation 11**

**7.95** 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.

#### **Recommendation 12**

**7.96** 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.

#### **Recommendation 13**

**7.97** 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.

**Senator Michael Forshaw**

**Chair**



## Government Senators' Minority Report

1.1 The terms of reference for this inquiry originally asked the Committee to inquire into 'the level of expenditure on, the nature and extent of, government advertising since 1996'. These terms of reference were subsequently amended by an Opposition dominated Senate to restrict the inquiry into the expenditure, nature and extent of *Commonwealth* government advertising since 1996.

1.2 A serious and responsible inquiry into the nature and impact of information activities conducted at all levels of government in this country may have been a worthwhile exercise. While Commonwealth Government advertising amounts to some \$929 million between 1996 and 2003, in the same period of time State Government advertising collectively totalled more than \$2.15 billion. This is not the inquiry that the Opposition majority allowed.

1.3 Instead we have had an inquiry with arbitrarily restricted terms of reference, aimed at achieving a partisan report.

1.4 The inquiry received submissions from only 13 submitters (including submissions from the Special Minister of State and Department of Prime Minister & Cabinet), most of which were from academics or former public servants with transparent agendas. No overwhelming public concern was demonstrated.

1.5 It is also worth noting the conclusion to the inquiry. The Committee cancelled the final round of oral testimony on Monday 7 November 2005, as the questions to be put to departmental witnesses had been answered at the Senate Estimates hearings of the previous week.

1.6 For these reasons, Government Senators do not consider it necessary to comment in detail on the majority report. There are, however, four matters requiring discussion, in order to set aspects of the majority report in context. Those matters are:

- justification of expenditure on government advertising;
- costs of independent review;
- whether there is a need for a 'legislative base'; and
- comments by the Clerk of the Senate.

### **Justification of expenditure on government advertising**

1.7 Advertising to communicate with 20 million Australians is a relatively expensive exercise. Australians are faced with thousands of messages a day. Some of these are broadcast, some are narrowcast, but all have the characteristic of seeking to gain attention and consideration.

1.8 It is easy to focus on the quantum of expenditure rather than acknowledge the obligation upon governments to inform citizens of their rights and responsibilities, of their entitlement to benefits or of changes to government policy that will affect their

lives. It is also important to acknowledge the cost to the community of citizens not being informed of these things.

1.9 While much is made in the majority report of the cost of the recent WorkChoices advertising campaign, in fact by far the most expensive government information activity is the ongoing Defence Recruitment campaign. This is a campaign that has bipartisan support and was also at the top of Labor government advertising expenditure prior to 1996.<sup>1</sup>

1.10 All parties to the inquiry acknowledge the necessity for government advertising in relation to a range of issues. As Senator Abetz stated in his evidence to the inquiry:

*If you asked Australians in general, 'Do you like government advertising?' I dare say most of them would say, 'no'. I accept that. But if you then asked them, 'Do you support Defence Force recruitment?' they would answer, 'Yes, that is important'. If you asked, 'What about advising the community about superannuation initiatives?' they would answer 'yes'. If you asked, 'What about Quarantine?' they would answer, 'Oh, that's okay'. If you asked, 'What about people becoming citizens of the country?' they would answer, 'Oh, that is a very important thing'. If you asked, 'Do you think people should be told about the evils of domestic violence?' they would answer, 'Oh yes, absolutely'. Then if you asked, 'Which campaign would you not have run?' you would find that virtually all of the campaigns would have been run.'*<sup>2</sup>

1.11 Where there are differences of opinion over the value of particular campaigns, these are matters of judgement. Inevitably these judgements will be coloured by one's view of the value of the policies about which information is being given, or the benefits that are being introduced.

1.12 When an opposition consistently accuses a government of conducting illegitimately 'political' advertising campaigns, it may be evidence more of the policy and political vision of the opposition than of the character of the campaigns themselves.

### **Costs and practicality of independent review**

1.13 A number of submissions to the inquiry suggested that some provision for 'independent' review or adjudication of the 'political' content of government advertising campaigns should be made. This 'independent' scrutiny, it is argued variously, could be done by a separate specialist body, by the Auditor-General or an Ombudsman, or by a Parliamentary committee.<sup>3</sup>

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1 Dr Richard Grant, *Research Note No.62*, Parliamentary Library, 21 June 2004, p. 2.

2 Senator the Hon. Eric Abetz, *Committee Hansard*, 19 August 2005, pp 78-79.

3 See, for example, Professor Charles Sampford, *Submission 4*.

1.14 Government Senators acknowledge that there are aspects of government that are rightly subject to this kind of scrutiny, but there are three strong arguments against these proposals.

1.15 Firstly, it naturally follows that if the basis of the criticism of campaign lies in the opposition to the policy being implemented itself, then it is doubtful that the existence of an ‘independent umpire’ would ameliorate the criticism. For instance, the 1998 CEP advertising has been subject to both political and academic criticism despite the Auditor General finding it to be legitimate.

1.16 Secondly, none of the witnesses or the Senators in the majority report have been able to provide clear, practical advice to public servants and officials as to what would constitute ‘political’ advertising. They have not solved the problem posed by Mr Petro Georgiou, MP, who wrote in his dissenting statement to the Joint Committee of Public Accounts and Audit report:

*In a highly combative political system, materials which are totally non-partisan are open to misrepresentation as party political; and the arrow points indicating the factors which are used to determine whether material can be perceived as ‘party political’ in this [JCPAA] report do not provide a sufficiently clear and objective basis for assessing whether or not such a perception is valid.<sup>4</sup>*

1.17 Thirdly, it must be acknowledged that prior scrutiny of each individual campaign would come at a high cost. There is additional monetary cost involved in funding an oversight body, there are costs in terms of reduced capacity to respond promptly and flexibly to the information needs of the community, and there are opportunity costs, especially for pre-existing institutions, in having to carry out these processes in lieu of their normal work.

1.18 For these reasons, Government Senators consider that the establishment of an oversight body should only be contemplated when the need for, and functioning of, such a body has been cogently established. This has not occurred.

1.19 The majority report contains no discussion and provides no evidence to suggest that any of the government advertising campaigns run since 1996 would not have been run had there been an independent overseer of proposed information activities. Given this, such a body would constitute an unnecessary additional layer of government.

### **Whether there is a need for a ‘legislative base’**

1.20 Some submissions to the inquiry claimed that it is illegitimate to conduct government information campaigns without a legislative base.

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<sup>4</sup> Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, Report 377, September 2002, p. 3.

1.21 There is no legislative base for many government campaigns, yet almost all of these are ‘non-controversial’: AIDS awareness, anti-domestic violence, anti-smoking, anti-binge drinking, anti-drugs, Australian citizenship, Defence Force recruitment, and healthy eating campaigns, for example.

1.22 Indeed, the need to advertise such things and even prospective legislation is explicitly recognised in both Australian National Audit Office and Joint Committee of Public Accounts and Audit recommendations:

*[G]overnment may legitimately use public funds for information programs or education campaigns to explain government policies, programs or services ... Examples of suitable uses for government advertising include to inform the public of new, existing or proposed government policies, or policy revisions;*<sup>5</sup>

1.23 Government Senators do not believe there is substance to claims of the requirement of a ‘legislative base’.

### **Comments by the Clerk of the Senate**

1.24 The most disappointing aspect of the inquiry, in the view of the Government Senators, were elements of the evidence of Mr Harry Evans, the Clerk of the Senate.

1.25 The Clerk made several submissions to the inquiry, in the course of which he deviated from his role as an independent procedural adviser to the Senate, to present highly contentious policy advice. Odgers Australian Senate Practice, edited by the Clerk, nominates the functions of the Clerk:

*The Clerk of the Senate is the principal adviser in relation to proceedings of the Senate to the President, the Deputy President and Chair of Committees, and senators generally... the departmental head of the Department of the Senate... [and] secretary and adviser to the Procedure Committee.*<sup>6</sup>

The Clerk is an administrator and technical adviser in relation to the procedures and prerogatives of the Senate. His role does not extend to advice on the relative merits of public policy.

1.26 The Clerk’s expertise and experience is vital to the stability and integrity of the legislative process. It is therefore a very serious matter when the Clerk raises allegations of government corruption which he can not substantiate. In particular, Government Senators were concerned about the following remarks made by the Clerk:

*The other problem which has been perceived in government advertising is the cross-subsidising of party-political advertising. It is suspected that advertising firms accept lower fees for advertisements paid for by the party in power with an assurance that more lucrative government advertising contracts will fall*

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<sup>5</sup> Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, Report 377, September 2002, p. 4, italics added.

<sup>6</sup> Odgers Australian Senate Practice (11<sup>th</sup> Edition).



*their way. In effect, the expenditure on the government advertising projects subsidises the party-political advertising of the government party. This is tantamount to corruption.*<sup>7</sup>

1.27 In oral and written evidence to the Committee, the Clerk claimed that in referring to these perceptions and suspicions he was not himself supporting these allegations, but merely reflecting concerns that had been raised in the Senate chamber. The Clerk did not provide references in his written submissions to support the claim that he was merely repeating assertions made in the Senate. Nor was the material to hand:

*Mr Evans - We could go through an exercise of assembling all the references in the literature to support that statement. I hope you do not ask me to do that, but I could.*<sup>8</sup>

1.28 Upon request the Clerk did submit Hansard references in support of his assertions. He referred the committee to 25 speeches made in the Senate. All were by Labor Senators: ten from Labor Senator Robert Ray, nine from Labor Senator John Faulkner, and the remaining six from other Labor Senators. Despite the partisan nature of the evidence, the Clerk denied this was an issue:

*I have collected a select set of twenty-five speeches in the Senate referring to alleged improper awarding of government contracts to who also had contracts with the government political party. At least seven of these make a direct allegation of cross-subsidisation or other fraud in the awarding of the contracts. They will be familiar to anyone who has followed the proceedings in the Senate in recent years. Again I emphasise that my submissions in no way rely on their truth, and the fact that they were made by Opposition senators is not to the point. Their existence represents the problem.*<sup>9</sup>

1.29 After the Clerk's allegations had been rebutted by the Special Minister of State, the Clerk wrote:

*I could also have pointed out that cross-subsidising is not tantamount to corruption, but is corruption. That term could also be applied to the use of public funds for party-political advertising even in the absence of cross-subsidising.*<sup>10</sup>

1.30 Government Senators do not believe that the Clerk could be unaware of the political implications of those two statements, given the context of the debate between the Government and Opposition in relation to advertising.

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<sup>7</sup> Mr Harry Evans, *Submission 6*, p. 2.

<sup>8</sup> Mr Harry Evans, *Committee Hansard*, 19 August 2005, p. 20.

<sup>9</sup> Mr Harry Evans, *Submission 6a*, pp 1-2.

<sup>10</sup> Mr Harry Evans, *Submission 6a*, p. 2.

1.31 In the same submission the Clerk directly impugned the honesty of the Special Minister of State:

*The louder they talk of honour, the faster we count our spoons.*<sup>11</sup>

Government Senators are concerned by the Clerk's allusion to the Minister's character. The significance of this statement may be seen in the fact that this was not simply a line delivered in the cut-and-thrust of oral questioning. It was a considered statement, placed in a written submission to the Committee. The Clerk's actions in impugning the integrity of a Senator are not consistent with the Clerk's obligation to avoid the perception of partiality and to be seen to serve all Senators equally.

1.32 During oral evidence the Clerk also questioned the capacity of the High Court to consider Constitutional matters:

Senator Fifield - *You have offered quite a bit of advice in relation to constitutional law as well in these proceedings. What is your background in constitutional law? Do you have a law degree, Clerk?*

Mr Evans - *No, I do not, which is a great assistance in assessing constitutional questions. The Senate and its committees have found, over many years, that the worst people to talk about large constitutional issues are people who have done law degrees.*<sup>12</sup>

The Clerk provided his own constitutional advice as to whether monies for the WorkChoices campaign were legally appropriated.<sup>13</sup> The High Court has subsequently rejected, by a 5-2 majority, the Clerk's interpretation.<sup>14</sup>

1.33 Government Senators respect the role of the Clerk as a procedural adviser to the Senate and Senators. They do not believe there is a role for the Clerk as an adviser on either policy or public administration.

1.34 Government Senators consider that the intervention of the Clerk in relation to these matters was unwise, outside his remit and needlessly opened the Office of the Clerk to allegations of political partiality.

**Senator John Watson**  
**Deputy Chairman**

**Senator Mitch Fifield**

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<sup>11</sup> Mr Harry Evans, *Submission 6b*, p. 2.

<sup>12</sup> Mr Harry Evans, *Committee Hansard*, 19 August 2005, p. 19.

<sup>13</sup> Mr Harry Evans, *Submission 6b*, p. 1; and *Submission 6c*, passim.

<sup>14</sup> *Combet v Commonwealth of Australia* [2005] HCA 61 (21 October 2005).

# Appendix 1

## List of Submissions, Tabled Documents and Additional Information

### Submissions

1. Public Health Association of Australia Inc
2. Dr Graeme Orr
3. Dr Sally Young
- 3a. Dr Sally Young  
(Supplementary Submission)
- 3b. Dr Sally Young  
(Supplementary Submission)
4. Professor Charles Sampford
- 4a. Professor Charles Sampford  
(Supplementary Submission)
5. Department of the Prime Minister and Cabinet
6. Mr Harry Evans, Clerk of the Senate
- 6a. Mr Harry Evans, Clerk of the Senate  
(Supplementary Submission)
- 6b. Mr Harry Evans, Clerk of the Senate  
(Supplementary Submission)
- 6c. Mr Harry Evans, Clerk of the Senate  
(Supplementary Submission)
- 6d. Mr Harry Evans, Clerk of the Senate  
(Supplementary Submission)
- 6e. Mr Harry Evans, Clerk of the Senate  
(Supplementary Submission)
7. Professor Stephen Bartos

- 8. Mr Tony Harris
- 8a. Mr Tony Harris  
(Supplementary Submission)
- 9. Senator the Honourable Eric Abetz, Special Minister of State
- 9a. Senator the Honourable Eric Abetz, Special Minister of State  
(Supplementary Submission)
- 10. Mr Peter McDonald, The Agency Register
- 10a. Mr Peter McDonald, The Agency Register  
(Supplementary Submission)
- 11. Mr Greg Barns
- 12. Mr Chris Monnox
- 13. Ms April Briscoe

## **Tabled documents**

### **18 August 2005**

Dr Sally Young

### **7 October 2005**

Correspondence regarding the HIC and Department of Human Services Medicare and PBS fraud campaign

*Your phone service, your rights: working to keep the country connected* booklet

## **Additional information**

Department of the Prime Minister and Cabinet, Additional information received  
7 October 2005

Department of Communications, Information Technology and the Arts, Additional  
information received 11 November 2005

Tourism Australia, Additional information received 28 November 2005

Department of the Prime Minister and Cabinet, Additional information received  
29 November 2005

## **Appendix 2**

### **Public hearings**

#### **Thursday, 18 August 2005 — Canberra**

Dr Sally Young (Private capacity)

#### **Friday, 19 August 2005 — Canberra**

Mr Harry Evans, Clerk of the Senate, Department of the Senate

Professor Charles Sampford (Private capacity)

Professor Stephen Bartos (Private capacity)

Mr Tony Harris (Private capacity)

Dr Graeme Orr (Private capacity)

Senator the Honourable Eric Abetz, Special Minister of State, Commonwealth Government

#### **Department of the Prime Minister and Cabinet**

Greg Williams, First Assistant Secretary, People, Resources and Communications Division

Chris Taylor, Assistant Secretary, Government Communications Unit

#### **Friday, 7 October 2005 — Canberra**

Senator the Honourable Eric Abetz, Special Minister of State, Commonwealth Government

#### **Department of the Prime Minister and Cabinet**

Greg Williams, First Assistant Secretary, People, Resources and Communications Division

Chris Taylor, Assistant Secretary, Government Communications Unit

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**Department of Employment and Workplace Relations**

Pete Searle, Assistant Secretary, Working Age Payments and Assurance Branch

Robyn Kingston, Principal Adviser, Employment Business Services Group

Barbara Grundy, Director, Campaigns and Publications, Employment Communications Branch

**Department of Human Services**

Geoff Leeper, Deputy Secretary

Bernadette Ryan, Assistant Secretary, Marketing and Communications Branch

**Department of Communications, Information Technology and the Arts**

Simon Bryant, Acting Chief General Manager, Telecommunications

Carolyn McNally, General Manager, Regional Communications Policy Branch

## **Appendix 3**

### **WorkChoices advertisements**

Source: *The Sun-Herald*, October 23, 2005, pp 18-19.

ADVERTISEMENT

**Australia  
can't  
afford  
to stand  
still.**



ADVERTISEMENT



Australian Government

## If we're serious about an even stronger economy, more jobs and higher wages we need a new workplace relations system.

To protect the future prosperity of all Australians we need to build an even stronger economy that delivers more jobs and higher wages.

To do this we need to start removing the restrictions of our current workplace relations system which are standing in the way.

The current system is too complex, inflexible and outdated. It's costing Australians precious new employment opportunities.

And it's seriously hindering investment and economic growth.

### THE OLD SYSTEM NEEDS REFORMING.

It's absurd that Australia currently has six different workplace relations systems, over 130 different pieces of employment related legislation, over 4,000 different awards and over 30,000 different classification wage levels.

We are labouring under a workplace system that was largely designed over a century ago to deal with the problems of a different time and a different world.

### WE CANNOT AFFORD TO GO BACKWARDS.

Countries have the choice of either going forwards or backwards. Marking time is not an option.

Nations which have reformed their workplace systems have benefited from stronger economies, higher job growth and lower unemployment.

Those that have been reluctant to reform their labour market systems continue to suffer from sluggish economic growth and high unemployment.

The lesson for us all is simple. No matter how well Australia is doing now, we cannot

afford to stand still and do nothing.

If we are serious about securing Australia's future we must reform our workplace relations system now.

### INTRODUCING WORKCHOICES.

The creation of WorkChoices will move us towards one simpler, national workplace relations system.

It will improve productivity, encourage more investment, provide a real boost to the economy and lead to more jobs and higher wages.

We should never forget that Australia needs to create around 170,000 new jobs every year, including tens of thousands of jobs for school leavers.

We also need to find more ways to reward effort and more ways to increase wages as well as create more flexibility to provide a better balance between work and family life.

At the same time we must ensure that employees' minimum standard conditions are protected by law.

However, there is no greater protection we can give Australian workers and their families than a new workplace relations system that helps build the stronger economy needed to deliver more jobs and higher wages.

That's how we will all continue to grow and prosper.

**John Howard**  
Prime Minister of Australia

## WorkChoices

To find out the facts call the WorkChoices hotline **1800 025 239**  
or visit the WorkChoices website [www.workchoices.gov.au](http://www.workchoices.gov.au)

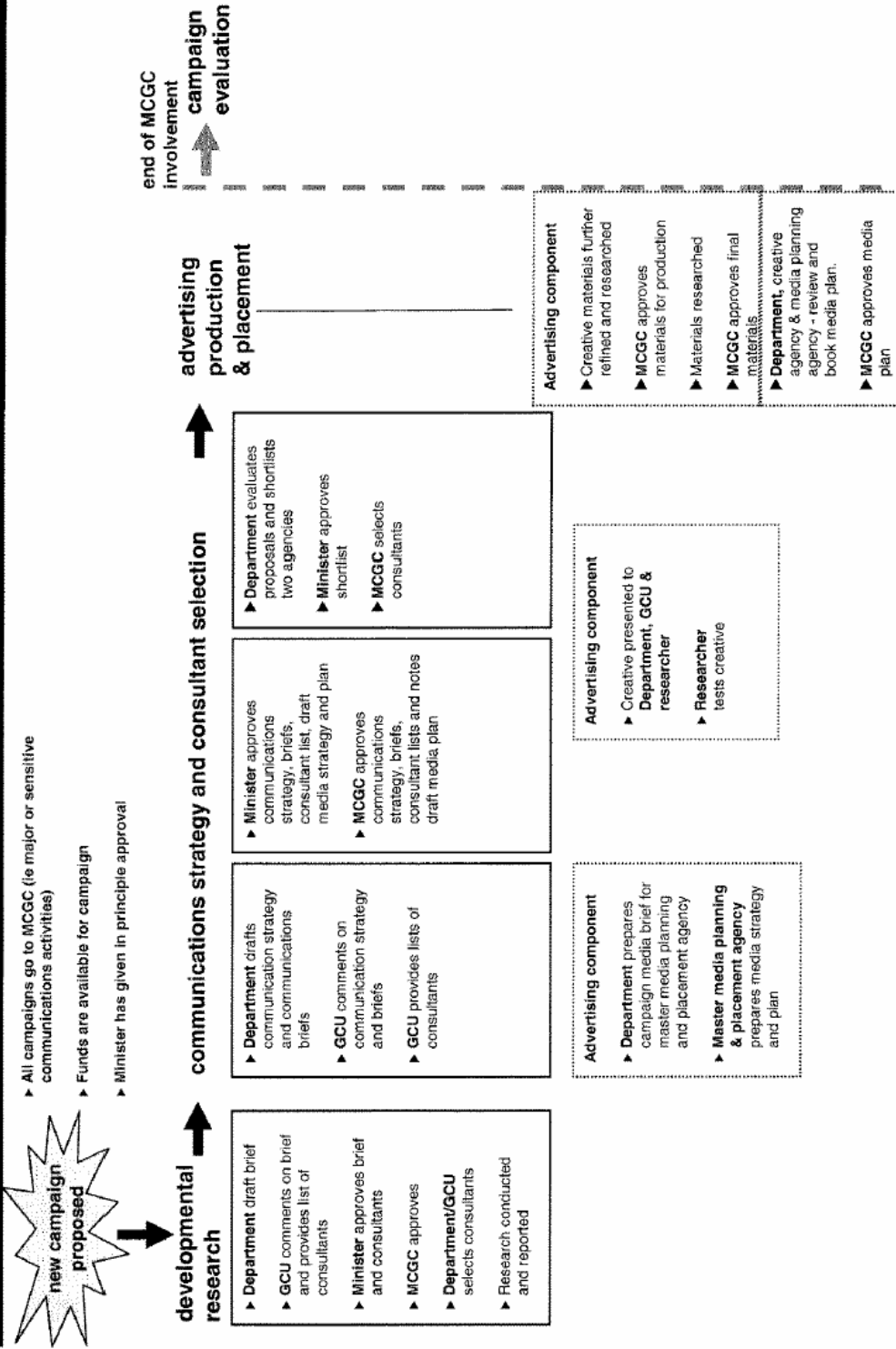


## **Appendix 4**

### **MCGC GCU processes**

Source: Department of the Prime Minister and Cabinet, Submission 5.

# The MCGC process



## Appendix 5

### Guidelines for government advertising campaigns<sup>1</sup>

#### Underlying principles

The fundamental principles governing the use of public funds for government information programs are that:

- all members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations. Access to information should only be restricted where its provision would jeopardise the national interest;
- governments may legitimately use public funds for information programs or education campaigns to explain government policies, programs or services and to inform members of the public of their obligations, rights and entitlements; and
- government information programs shall not be conducted for party-political purposes.

#### Guidelines

##### Material should be relevant to government responsibilities

In developing material to be communicated to the public:

- the subject matter should be directly related to the Government's responsibilities;
- consideration should be given to an information strategy as part of policy development and program planning; but
- information campaigns should:
  - not be instigated unless a need is demonstrated;
  - clearly identify target recipients; and
  - be based on appropriate research.
- **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**

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1 These guidelines reproduce those set out by the Joint Committee of Public Accounts and Audit, *Guidelines for Government Advertising*, September 2000, pp.4-7. The Committee's proposed amendments, as discussed in Recommendation 4 at para 6.72, are inserted in bold type.

**implement the policy, program or service described in the public information or education campaign;**

- **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;**
- **the only exclusions to these requirements are where major issues of public health, public safety or public order may arise at short notice.**

Examples of suitable uses for government advertising include to:

- inform the public of new, existing or proposed government policies, or policy revisions;
- provide information on government programs or services or revisions to programs or services to which the public are entitled;
- disseminate scientific, medical or health and safety information; or
- provide information on the performance of government to facilitate accountability to the public.

### **Material should be presented in an objective, fair, and accessible manner**

The following guidelines are suggested to assist in determining whether the material communicated is presented in an explanatory, fair, objective and accessible manner:

- Information campaigns should be directed at the provision of objective, factual and explanatory information. Information should be presented in an unbiased manner.
- Information should be based on accurate, verifiable facts, carefully and precisely expressed in conformity with those facts. No claim or statement should be made which cannot be substantiated.
- The recipient of the information should, to a practical and reasonable extent, be able to distinguish clearly and easily between facts on the one hand, and comment, opinion and analysis on the other.
- When making a comparison, the material should not attempt to mislead the recipient about the situation with which the comparison is made and it should state explicitly the basis for the comparison.
- Special attention should be paid to communicating with any disadvantaged individuals or groups which are identified as being within the designated target audience.
- Particular attention should be given to the communication needs of young people, the rural community, and those for whom English is not a convenient language in which to receive information.
- There should be recognition of the full participation of women, ethnic and Aboriginal and Torres Strait Island communities in Australian society by

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realistically portraying their interests, lifestyles and contributions to Australian society. Care should be taken that this is not done in a stereotypic way.

**~~Material should not be liable to misrepresentation as party political~~**

**Material should not be directed at promoting party political interests**

- The dissemination of information using public funds should not be directed at promoting party political interests.

For the purpose of these guidelines, advertising for party political purposes is defined as any information involving the production and dissemination of material to the public which promotes activities, programs or initiatives of the Government in a politically partisan or biased manner.

Dissemination of information may be perceived as being party-political because of any one of a number of factors, including:

- what is communicated;
  - who communicates it;
  - why it is communicated;
  - what it is meant to do;
  - how, when and where it is communicated;
  - the environment in which it is communicated; or
  - the effect it is designed to have.
- Material should be presented in a manner free from partisan promotion of government policy and political argument, and in unbiased and objective language.
  - Material should not directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposition parties or groups.
  - Information should avoid party-political slogans or images.
  - Material should not be designed to influence public support for a political party, a candidate for election or a member of Parliament.
  - Distribution of unsolicited material should be carefully controlled. All advertising material and the manner of presentation should comply with relevant law, including broadcasting, media, privacy and electoral law.

**Material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability.**

- Information campaigns should be justified by a cost/benefit analysis. The nature of the campaign should be justified in terms of society's needs, efficiency and effectiveness, and there should be a clear audit trail regarding decision making.

- Care should be taken to ensure that media placement of government advertising is determined on a needs basis and targeted accordingly and without favour.
- Existing purchasing/procurement policies and procedures for the tendering and commissioning of services and the employment of consultants should be followed.



## **Appendix 6**

### **Annual report on the Government of Canada's advertising – Key information**

Source: Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, pp 14-18.

# Advertising Activity



## Chapter 3

### Summary of Campaigns

In fiscal year 2003-2004, the Government of Canada invested \$69.8 million to inform Canadians of programs, services and initiatives. Following are highlights from four major government campaigns of 2003-2004. For more in-depth information about these campaigns, please see the Appendix of this report.

#### University of Life

In March 2004, the Department of Foreign Affairs and International Trade (Foreign Affairs Canada) undertook a campaign entitled "University of Life." The campaign was designed to promote the Department's International Youth Programs, a series of programs to provide Canadian youth aged 18 to 30 with opportunities to work and travel abroad. The specific objectives of the campaign were to raise awareness of the program and its opportunities, and to encourage Canadian youth in the target age group to visit the Web site, learn more about the programs and to participate in them.

The organization developed two bilingual advertisements, one with the English text leading and the other with the French text leading. The advertisements were produced in four sizes, according to the intended area of placement: subways in metropolitan areas (20" X 28"); transit shelters (4' X 6'); inside buses and streetcars (35" X 11") and in restaurants and bars (13" X 17").

As a result of the campaign, traffic to the International Youth Programs Web site increased almost threefold, from 13,398 visits in January 2004 to 32,724 visits in March 2004. In addition, after the campaign ended, traffic to the Web site remained high, with 20,000 visits recorded in April 2004.

#### Canadian Forces Recruitment

From April 2003 to March 2004, the Department of National Defence undertook an advertising campaign to help recruit close to 10,000 personnel for the Regular Force and Reserve Force. The campaign primarily targeted Canadian youth between the ages of 16 and 34, as well as those who influence youth in their career choices, such as parents and career counselors in colleges and universities. It aimed to convey two key messages:

- The Canadian Forces is a unique employer with many possibilities to offer youth who are looking for a (new) career.
- The Canadian Forces is hiring for full- and part-time openings in more than 100 different occupations.

The campaign involved a mix of print, radio, out-of-home, television and cinema advertising at the national and regional levels. The advertisements were created to build on previous advertisements and more accurately reflect a particular Canadian Forces occupation (such as pilot), or target a specific audience (such as engineers studying at university). In fall 2003, a 60-second spot ran on movie theatre screens across Canada, reaching an estimated audience of 9.9 million people. A 30-second spot also ran at movie theatres and reached an audience of about 1.6 million people. In early 2004, the 30-second spots were aired on television in French and English during prime time on conventional networks and on specialty, Aboriginal and multi-lingual channels. The national campaign also used a combination of print media, such as campus newsletters, student handbooks and directories,

and daily and community newspapers. The regional campaign involved black and white print advertisements in community and daily papers, 30-second radio advertisements for recruiting events, and advertisements placed on rink boards, in transit shelters, inside buses and on the Internet. To support the campaign, more than one million recruiting information aids were produced and distributed.

Pre-testing was one part of the campaign evaluation. New advertisements were tested with focus groups to assess their effectiveness, and this testing achieved positive results. All advertising was also based on a 2000-2001 baseline survey and subsequent tracking surveys. In the final analysis, advertising proved to be an effective tool to help achieve recruitment goals. The target of recruiting 5,423 individuals into the Regular Force was exceeded, with an intake of 5,488 recruits. More than 3,500 new Primary Reserve recruits were also enrolled.

#### Smoking Cessation 2003-2004

During the 2003-2004 fiscal year, Health Canada continued its smoking cessation social marketing campaign begun in January 2003, to encourage smokers to quit. The campaign, which ran the duration of the 2003-2004 fiscal year, primarily targeted adult smokers aged 40 to 54, in both urban and rural areas across Canada, and was slightly skewed to those of a lower socio-economic status.

The campaign had the following objectives:

- To increase the number of ex-smokers aged 40-54 over a three-year period.
- To increase the average number of quit attempts made by smokers aged 40-54.
- To increase the number of smokers accessing Health Canada's smoking cessation resources.

The media strategy included the use of television, print and on-line media. Television spots aired during key periods for quit attempts, on both conventional and specialty networks. A partnership with the Canadian Broadcasting Corporation (CBC) and its French counterpart, Société Radio-Canada (SRC), also produced two 15-second spots for a three-week national campaign blitz around the New Year period. During this time, banner advertisements also appeared on the CBC and SRC Web sites. As part of a partnership with *Reader's Digest / Sélection du Reader's Digest*, which included a double-page spread in both magazines, a banner advertisement was also placed on the *Reader's Digest / Sélection* Web sites.

To evaluate the campaign, four recall surveys were conducted, each with 800 smokers from the target group. The results of the evaluation indicated that, among those who remembered seeing one of the advertisements in the previous 12 months, 75 percent felt that the advertisements were effective, and 84 percent said that they were believable. Also among these respondents, 67 percent said that the advertisements made them think about quitting. These results were further supported by the large number of orders placed for smoking cessation resources, as well as the number of visits to the [www.gosmokefree.ca](http://www.gosmokefree.ca) Web site (691,512 hits between February 2003 and January 2004).

#### Services for Children (National Child Benefit)

In May 2003, Human Resources Development Canada (Social Development Canada) launched a Government of Canada campaign to inform Canadians about the government's programs and services for children and their families. The campaign, aimed at the general public, ran for four months, until the end of August 2003. The campaign highlighted the National Child Benefit as one of the Government of Canada's services for children and families. The advertising included an offer for a guide entitled *Services for Children: Guide to Government of Canada Services for Children and their Families*.

A mix of television, radio, print and Web campaign components was designed to create broad awareness. Thirty-second spots aired on television and radio, targeted to French, English, Aboriginal and ethno-cultural audiences. Black and white print advertisements ran in daily newspapers, as well as in community, official language minority, multilingual and Aboriginal print, and a full-colour advertisement ran for one placement in targeted English and French magazines. The Web part of the campaign involved a banner, text or button advertisement with a link to the children's portal on the Canada Site.

The campaign evaluation was based on a national, random telephone survey of 1,000 members of the Canadian general public to measure awareness, recall and the impact of the advertisements. Unaided recall of the advertisements indicated that the audience had generally understood and retained the main messages of the campaign. Moreover, in response to the advertising, the number of public inquiries per month about Government of Canada services for children increased, and the Services

for Children icon was the most popular icon on the Canada Site home page for the period between May 20 and July 8, 2003. Perhaps most significant was the volume of Internet traffic to the children's section on the Canada Site. During the campaign, a total of 77,444 hits were registered, for an average of 25,814 hits per month (compared with 7,337 hits in the month before the campaign).

**Public Notices** are announcements, including those placed in the *Canada Gazette*, that deal with tenders, recruitment, public hearings, business hours, addresses and contact information. Such notices may be placed with the media directly by organizations.

#### EXPENDITURES BY ORGANIZATION

Department/Agency	Thousands of Dollars	Department/Agency	Thousands of Dollars
Health Canada	\$15,818 *	Environment Canada	\$232
Department of Finance Canada (including Canada Savings Bonds)	\$9,661	Canada Economic Development for Quebec Regions	\$206
National Defence	\$7,290	Fisheries and Oceans	\$183
Social Development Canada	\$6,461	National Battlefields Commission	\$179
Human Resources and Skills Development Canada	\$4,885 *	Library and Archives Canada	\$162
Canada Revenue Agency	\$4,813	Canadian Nuclear Safety Commission	\$157 *
Natural Resources Canada	\$4,655	Royal Canadian Mounted Police	\$129
Communication Canada	\$3,925	Canadian Space Agency	\$128
Canadian Heritage	\$2,491	Public Service Human Resources Management Agency of Canada	\$107
Agriculture and Agri-Food Canada	\$1,630 *	Canadian Environmental Assessment Agency	\$85 *
Indian and Northern Affairs Canada	\$886	Canadian Centre for Occupational Health and Safety	\$83
Transport Canada	\$576	Canadian Institutes for Health Research	\$51 *
Western Economic Diversification Canada	\$530	Office of the Commissioner for Federal Judicial Affairs	\$34 *
Department of Foreign Affairs and International Trade (Foreign Affairs Canada) (International Trade Canada)	\$487	Canadian Transportation Agency	\$33
Industry Canada	\$481	Public Service Commission of Canada	\$32 *
Atlantic Canada Opportunities Agency	\$477 *	Canadian Grain Commission	\$31 *
Public Works and Government Services Canada	\$445 *	Statistics Canada	\$30
Parks Canada	\$358	National Round Table on the Environment and the Economy	\$26
Canadian Radio-Television Telecommunications Commission	\$330 *	Canadian Artists and Producers Professional Relations Tribunal	\$25 *
National Research Council Canada	\$298	Financial Consumer Agency of Canada	\$16
Office of the Governor General's Secretary	\$297 *	Infrastructure Canada	\$13
Natural Sciences and Engineering Research Council of Canada	\$288	Law Commission of Canada	\$9
Canadian Food Inspection Agency	\$261 *	Indian Residential Schools Resolution of Canada	\$7
Social Sciences and Humanities Research Council of Canada	\$240	Citizenship and Immigration Canada	\$2
National Film Board of Canada	\$237	<b>Total</b>	<b>\$69,780 **</b>

Organizational expenditures for Government of Canada advertising include planning, creative, production, and media placement of advertisements. These expenditures are for April 1, 2003, to March 31, 2004.

For purposes of this report, in cases of multi-departmental advertising campaigns, expenditures have been associated to the campaign lead organizations, rather than individual contributing government organizations.

\* A portion, or, all of the expenditure represents public notices.

\*\* Figures do not add up due to rounding.

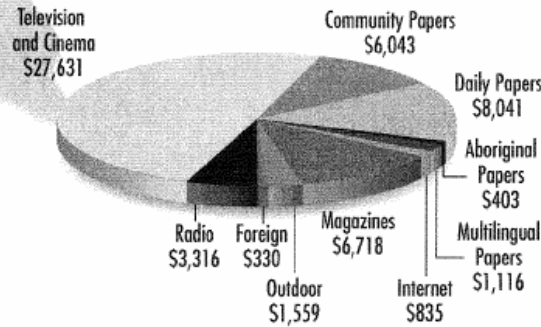
## SUPPLIERS USED BY THE GOVERNMENT OF CANADA

These suppliers were used during the 2003-2004 fiscal year.

24/7 Real Media Canada	Mediaplus Advertising
Acart Communications Inc.	Metro Media Plus
ACR Communications Inc.	Nation Media + Design Ltd.
Accurate Design & Communication Inc.	Origami
Allard-Johnson Communications Inc.	Pattison Outdoor Advertising
Apropos Marketing Communications Inc.	Pierre Normand-Communication
Armada Inc.	Platine
BCP Ltd.	Pairier Communications Ltd.
Bristol Group Inc.	Publications BLD inc.
Brown Communications Group Inc.	Publicis Canada Inc.
Charabia Interactif Inc.	Publicité Day Inc.
Communications Voir Inc.	Publicité Fuel Inc.
Cooper, Spearing and Stone Advertising	Robert Design Group
Côté-Larouche	Scott Thornley + Company Inc.
Delta Média Inc.	Séguin Labelle Communication
Les Dompteurs de Souris	Spirit Creative Advertising & Promotion Inc.
Focus Strategies and Communications Inc.	Spoutnik
Genex Communications inc.	TMP Worldwide
Gilles Fréchette	Top Advertising Inc.
Gordongroup	Triamedia
Graphissimo	Tribute.ca
Groupe Everest	TQS
Le Groupe PBQ inc.	Vector Media
HR MacMillan	Viacom Outdoor Canada
Hudson Design Group	Vickers & Benson Companies Inc.
Imagik Design Communications	Vision4
Manon Tissot	Vox Communication
Mario Godbout Design Inc.	
McKim Communications Limited	
Média/I.D.A. Vision Inc. *	

\* During the 2003-2004 fiscal year, Média/I.D.A. Vision Inc. was the Government of Canada's Agency of Record.

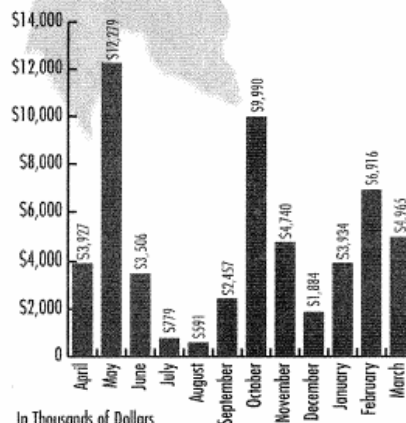
### MEDIA PLACEMENT BY TYPE



In Thousands of Dollars

Figures represent media placed through the Government of Canada's Agency of Record (Média/I.D.A. Vision). Effective June 1, 2004, new processes were put into place to enable the tracking and reporting of placements in minority official language media. Future reports will therefore indicate specific amounts of official language minority media placements.

### MEDIA PLACEMENT BY MONTH 2003-2004



In Thousands of Dollars

Figures represent media placed through the Government of Canada's Agency of Record (Média/I.D.A. Vision).

### Contracts and ADV Numbers

During the 2003-04 fiscal year:

- 356 advertising contracts were awarded by PWGSC; and
- 976 ADV (advertising) numbers were issued.

An ADV (advertising) number is a number issued by PWGSC to a Government of Canada organization once (an) advertisement(s) has been reviewed for its compliance with Acts of Parliament and government standards and policies. The number, in conjunction with the awarding of a contract, authorizes the government's Agency of Record to purchase the advertising time or space on behalf of a government organization for that specific advertisement.

The following took place:

- May 2003, the Child Benefit and Smoking Cessation campaigns.
- October 2003, the Canada Savings Bond campaign.
- March 2004, moratorium on Government of Canada advertising.

## **Appendix 7**

### **Annual report on the Government of Canada's advertising – Major campaign details**

Source: Public Works and Government Services Canada, *A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-04*, Spring 2005, pp 25-36.

## Campaign Highlights and Results

<b>Title</b>	<b>University of Life</b>
<b>Department</b>	Department of Foreign Affairs and International Trade (DFAIT) (Foreign Affairs Canada)
<b>Campaign Dates</b>	March 2004
<b>Advertising Agency</b>	McKim Communications Limited
<b>Objectives</b>	<ul style="list-style-type: none"><li>• To raise awareness among youth aged 18-30 about DFAIT's International Youth Programs, and about opportunities to work and travel abroad.</li><li>• To encourage the target group to visit the International Youth Programs Web site, to learn more about the program and, ultimately, to participate in it.</li></ul>
<b>Target Audience</b>	Youth aged 18 to 30
<b>Media Placement</b>	Bilingual posters, one version with English leading and one with French leading, placed in the following locations: <ul style="list-style-type: none"><li>• Subways in metropolitan areas for four weeks (20" X 28" vertical interior posters) in Tier 1 markets.</li><li>• Transit shelters for four weeks (4' X 6' transit posters, 50% of which were placed in the interior of the transit shelters, and 50% on the exterior)—for 25 gross rating points (GRPs) in Tier 1 and Tier 2 markets.</li><li>• Interior transit cards (35" X 11" standard posters inside buses and streetcars) in Tier 1 and Tier 2 markets, at 1/4 showing.</li><li>• Restaurants/bars (13" X 17" mini-boards with postcard boxes) in Tier 1 markets.</li></ul>
<b>Evaluation</b>	<ul style="list-style-type: none"><li>• A total of six focus groups tested the poster. The testing, which occurred in Vancouver, Toronto and Montreal, indicated that the creative had low impact. This resulted in the development of a new creative. A second round of focus testing indicated that the creative elements were successful. Four focus test groups were conducted in Toronto and Montreal for the second set of testing.</li><li>• A survey was commissioned about youth attitudes and work abroad programs. The survey, which involved 1,200 telephone interviews with young Canadians aged between 18 and 35, confirmed the approach to drive the target audience to a Web site. Results of the survey indicated that over nine in ten young Canadians (93%) say they have access to the Internet and 79% say that have used the Internet for career and job information. Among university educated and high-income respondents, Internet access reaches 98%.</li><li>• As a result of the campaign, traffic to the International Youth Programs Web site increased almost threefold, from 13,398 visits in January 2004 to 32,724 visits in March 2004.</li><li>• After the campaign ended, traffic to the Web site remained high, at 20,000 visits in April 2004.</li></ul>



<b>Campaign Costs</b>	Production	\$78,801
	Media placement	\$313,971
	Evaluative research	\$136,553

## University of Life

UNIVERSITY OF LIFE

L'ÉCOLE DE LA VIE

TRAVEL & WORK ABROAD  
VOYAGER ET TRAVAILLER À L'ÉTRANGER

www.canada123go.ca

1-877-go123go

Canada

Department of  
Foreign Affairs and  
International Trade  
(Foreign Affairs Canada)

<b>Title</b>	<b>Canadian Forces Recruitment</b>
<b>Department</b>	Department of National Defence
<b>Campaign Dates</b>	April 2003 to March 2004
<b>Advertising Agency</b>	Acart Communications Inc. (April to November 2003) Publicis Canada Inc. (December 2003 to March 2004)
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• To assist the Canadian Forces (CF) in hiring close to 10,000 Regular Force and Reserve Force personnel. To achieve this objective, at least 100,000 people would have to be enticed to contact the CF for more information.</li> </ul>
<b>Key Messages</b>	<ul style="list-style-type: none"> <li>• The CF is a unique employer with many opportunities to offer youth who are looking for a (new) career.</li> <li>• The CF is hiring for full- and part-time openings in more than 100 different occupations.</li> </ul>
<b>Target Audience</b>	<ul style="list-style-type: none"> <li>• Canadian youth aged 16-34, specifically the sub-group of 18- to 24-year old.</li> <li>• Youths' influencers—their parents, teachers, guidance counsellors, friends, community leaders and so on.</li> <li>• For some of the occupations, advertisements were targeted to youth who study specific programs at colleges and universities across Canada, or who already possess some of the skill set required for that occupation.</li> </ul>
<b>Media Placement</b>	<ul style="list-style-type: none"> <li>• Several new print and radio advertisements were created to build upon pre-existing advertisements. They were created either to reflect more accurately a particular occupation (e.g., pilot) or to target a specifically defined audience (e.g., engineers studying at university).</li> </ul> <p><b>National</b></p> <p>Television</p> <ul style="list-style-type: none"> <li>• The 30-second "New Defenders—Generic" spot ran 1,165 times during prime time from January 12 to February 22, 2004, on English and French conventional networks, specialty channels, and Aboriginal and multilingual stations geared to the target audience.</li> </ul> <p>Cinema</p> <ul style="list-style-type: none"> <li>• The 60-second "New Defenders—Generic" spot ran across Canada on 467 movie theatre screens from September 26 to October 2, 2003, and on 2,573 movie theatre screens from October 3 to 30, 2003, reaching an estimated audience of 9,971,544.</li> <li>• The 30-second spot ran on 349 monitors at 57 theatres over the same four-week period in October 2003, reaching an audience of about 1,643,453.</li> </ul>

#### Print

- A combination of print media was used from September to December 2003 to reach the target audience at the high school, college, university and/or professional levels on a national scale. Media included Web sites for job postings, trade/association publications, campus newspapers, student handbooks/directories, student magazines, engineering handbooks, yellow pages, campus signage, youth/influencer publications, and daily/community newspapers.
- In addition, targeted advertisements ran that were aimed at attracting candidates to particular distressed occupations (11 non-commissioned-member trades and 8 officer trades), as did advertisements aimed at highlighting subsidized education programs.

#### Regional

##### Navy Rural Recruitment Campaign

- In April/May, black and white advertisements were placed in 82 community and daily papers across Ontario, and a 30-second, program-specific spot ran on 66 radio stations, to entice high school students to attend Navy recruiting events at their schools.
- Local and regional advertisements were placed for 42 recruiting centres and 283 Reserve Force units across the country.
  - Recruiting centres and detachments: Print, radio, and out-of-home (outdoor) advertisements promoted local attraction events and hours of operation, and filled in the national campaign on an as-needed basis. In total, 225 local and regional requests for advertising were placed, including:
    - 300 print placements;
    - 800 radio spots;
    - 2 rink boards;
    - 3 baseball murals; and
    - 155 Internet spots.
  - Reserves (part-time employment): Local print, radio, out-of-home (outdoor) and Internet advertisements promoted Reserve employment opportunities, attraction events and hours of operation. In total, 820 requests for local and regional advertising were placed, including:
    - more than 1,000 print placements;
    - 870 radio spots;
    - 2,400 interior bus cards;
    - 29 transit shelters;
    - 3 rink boards;
    - 77 posters; and
    - 2,200 direct mail pieces.
- To support the campaign, more than 1 million individual recruiting information aids were produced and distributed. These included:
  - 72 new military occupation fact sheets with 1,400,000 copies produced;
  - A Royal Military College brochure, with 65,000 copies distributed;
  - 65,000 distributed copies of the applicant kit folder; and
  - 5,500 distributed copies of the pilot poster.

## Evaluation

### Pre-testing

- As new advertisements were developed, they were focus-tested to assess their effectiveness. Results from the focus groups held in the 2003-2004 fiscal year that took place in Winnipeg and Quebec City, were positive, and led to the production of several new advertisements.
- All advertising was based on a baseline survey, conducted in 2000-2001, and its subsequent tracking surveys. In 2003-2004, the tracking survey was not conducted, as no significant changes had been observed over the course of the past three years. However, it will be picked up again. The baseline and tracking surveys were used primarily to find out what the target audience thought of the CF, what they were looking for in a career, and what perceptions they already had about a career in the CF. Some of the information gathered from the surveys used to develop advertising, included the following:
  - General impressions of the CF are positive, in that eight out of ten respondents respect the CF.
  - It is currently an employee's market. In terms of recruiting for the CF, the Department of National Defence needs to look at what the target audience values as career drivers, and at what they believe about a career in the CF.
  - The target audience's views on careers in general include a large amount of confidence in finding full-time employment. However, they still have strong concerns about debt load after completing their post-secondary education. Most importantly, they have a strong, shared value: quality time spent with family and friends.
  - Deterrents to a career in the CF were also tracked. The two major deterrents are fear of combat/death, and the perceived notion of the "commitment trap."


### Results

- As one of the tools used to support CF recruiting, advertising helped to achieve the Department's recruitment goals.
- Last year, the Regular Force's recruitment target of 5,423 was exceeded, with an intake of 5,488 recruits.
- More than 3,500 new Primary Reserve recruits were enrolled.

**Campaign Costs**

Production: \$990,000  
Media placement: \$6,300,000  
Evaluative research: \$37,600

# Canadian Forces Recruitment



**THE CANADIAN FORCES RESERVES** **LA RÉSERVE DES FORCES CANADIENNES**

**PART-TIME CAREER OPPORTUNITIES**

Be part of our team and take pride in your career. In the Canadian Forces Reserves, we:

- Are dedicated to serving Canada at home and abroad
- Work in a challenging environment
- Learn leadership skills

Take up the challenge of working in today's Reserves. Just look at what we offer you!

- A wide range of career opportunities
- Practical hands-on experience
- Help with paying for your education
- Voluntary overseas missions

**STRONG. PROUD. TODAY'S CANADIAN FORCES.**

**DES POSSIBILITÉS DE CARRIÈRES À TEMPS PARTIEL**


Faites partie de l'équipe de la Réserve des Forces canadiennes. C'est avec dignité et fierté que nous sommes :

- au service des Canadiens, autant au pays qu'à l'étranger
- appelés à relever des défis passionnants
- engagés à développer nos compétences en leadership

Une carrière au sein de la Réserve, c'est bien plus qu'un simple emploi. Nous vous offrons :

- de nombreuses possibilités de carrières
- l'occasion d'apprendre en travaillant
- de vous aider à payer vos études
- de participer à titre volontaire à des missions à l'étranger

**DÉCOUVREZ VOS FORCES DANS LES FORCES CANADIENNES.**

**Canada** [www.forces.gc.ca](http://www.forces.gc.ca)  **CANADIAN FORCES FORCES CANADIENNES**

Department of National Defence

<b>Title</b>	<b>Smoking Cessation 2003-2004 ("Bob/Martin" Campaign)</b>
<b>Department</b>	Health Canada
<b>Campaign Dates</b>	January 2003 to March 2004
<b>Advertising Agency</b>	BCP Ltd.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• To increase the number of ex-smokers aged 40-54, over a three-year period.</li> <li>• To increase the average number of quit attempts made by smokers aged 40-54.</li> <li>• To increase the number of smokers accessing Health Canada's smoking cessation resources.</li> </ul>
<b>Key Messages</b>	<ul style="list-style-type: none"> <li>• Quitting is possible. It will often take more than one attempt, but it is possible.</li> <li>• Health and lifestyle will improve upon a person quitting smoking, and the benefits make it worth the effort.</li> <li>• Help to quit smoking is available. Getting help makes quitting easier and increases the chance of success.</li> </ul>
<b>Target Audience</b>	<p>Primary</p> <ul style="list-style-type: none"> <li>• Adult smokers aged 40-54, urban and rural, across Canada, slightly skewed to those of low socio-economic status, with women and men targeted equally.</li> </ul> <p>Secondary</p> <ul style="list-style-type: none"> <li>• Recent quitters aged 40-54 who want to remain smoke-free, including those of low socio-economic status.</li> <li>• Adult smokers aged 25-39.</li> <li>• Media.</li> <li>• Health care professionals.</li> </ul>
<b>Media Placement</b>	<p>Television</p> <ul style="list-style-type: none"> <li>• Eight 30-second television spots aired sequentially in bursts related to key periods for quit attempts, from January 2003 until March 31, 2004. The spots aired nationally on both conventional and specialty networks. Airtime was split 50/50 between prime time and off-prime time. (Additional regional air time was purchased in Atlantic Canada, Manitoba and Saskatchewan to support the helpline pilot projects in those provinces.) While on air, the average gross rating points (GRP) level was 100 GRPs/week. Six of these advertisements aired during the 2003-2004 fiscal year.</li> <li>• Television network partnership with the Canadian Broadcasting Corporation (CBC) and Société Radio-Canada (SRC): Two 15-second spots were produced for a three-week national campaign blitz that took advantage of the peak period for quit attempts surrounding the New Year, and drove smokers toward taking action. On CBC, the approximate number of GRPs came to 290 over the three-week period. On SRC, the number totalled 700 GRPs.</li> </ul> <p>Web</p> <ul style="list-style-type: none"> <li>• In addition, banner advertisements were placed on the CBC and SRC Web sites during the partnership.</li> <li>• A Google keyword buy was negotiated to promote the campaign micro-site from its launch on November 15, 2003, through the holiday season to January 15, 2004.</li> <li>• A banner was placed on the <i>Reader's Digest</i> and <i>Sélection du Reader's Digest</i> Web sites (February and March 2004).</li> </ul>

## Evaluation

### Print

- Partnership with *Reader's Digest / Sélection du Reader's Digest* included a double-page spread in February 2004 and March 2004 issues.

### Other Activities

The *Reader's Digest* partnership also included the following.

- Health Canada's self-help guide to quitting smoking was distributed along with a letter to members of the target audience who had requested smoking cessation information (*Reader's Digest / Sélection* database: 49,649 English, 14,242 French).
- A letter was delivered, poly-bagged with the *Reader's Digest* magazine, to doctors informing them of Health Canada's cessation resources and encouraging them to use/distribute them to patients (Canadian Medical Association distribution database: 32,000 English and 8,000 French).

### Method

- Four recall surveys were conducted; each of the samples contained 800 smokers aged 40-54 and was split roughly 50/50 in terms of male and female participants.

### Results

- Aided recall varied from 24% to 60%, and averaged 42% for all eight ads.
- Among those who remember seeing one of the advertisements in the preceding 12 months, a significant majority considered the advertisements to be both effective (75%) and believable (84%).
- Among those who remember seeing one of the advertisements in the preceding 12 months, 67% said that the advertisements made them think about quitting smoking.
- The campaign led adult smokers to use the access channels suggested in the advertisements (the [www.gosmokefree.ca](http://www.gosmokefree.ca) Web site, 1 800 O-Canada, the smokers' help line or the booklet).
- Thoughts about quitting increased throughout the campaign, particularly with the latter advertisements.
- The survey indicated that the campaign messages were communicated to, and understood by, the target audience.

### Tracking

Calls to 1 800 O-Canada, orders for cessation resources, and visits to the [www.gosmokefree.ca](http://www.gosmokefree.ca) Web site were directly correlated to campaign activity:

- 21,200 tobacco cessation-related calls were received at 1 800 O-Canada;
- 25,427 On the Road to Quitting self-help booklets were ordered; and
- During the first year of the campaign, the [www.gosmokefree.ca](http://www.gosmokefree.ca) Web site received the following numbers of hits (February 2003 to January 2004):
  - 691,512 to the home page;
  - 312,985 to the quitting page;
  - 90,000 to the Bob/Martin campaign Web site; and
  - 81,000 to the E-quit and 72,000 to the On the Road to Quitting Web-based cessation resources.

<b>Campaign Costs</b>	Production	\$193,730
	Media placement	\$6,359,513
	Research	\$236,777

## Smoking Cessation 2003-2004

**BOB  
EX-SMOKER**



Health Canada



<b>Title</b>	<b>Services for Children (National Child Benefit)</b>
<b>Department</b>	Government of Canada campaign with the participation of many government organizations, led by Human Resources Development Canada (Social Development Canada)
<b>Campaign Dates</b>	May to August 2003
<b>Advertising Agency</b>	Vickers & Benson Companies Inc.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>To inform Canadians about the Government of Canada's programs and services for children and families, including the National Child Benefit.</li> </ul> <p>The fulfilment piece for the campaign was the first edition of <i>Services for Children: Guide to Government of Canada Services for Children and their Families</i>.</p>
<b>Key Messages</b>	<ul style="list-style-type: none"> <li>There are a variety of programs to support children and families.</li> <li>The Government of Canada helps ensure that children are healthy, safe, secure and ready to participate in society.</li> </ul>
<b>Target Audience</b>	General public
<b>Media Placement</b>	<p>The media mix of television, radio, print and Internet advertisements was designed to create broad awareness, and delivered 95% reach<sup>3</sup> of all Canadians over 18 years of age.</p> <p>Television</p> <ul style="list-style-type: none"> <li>The 30-second television spot aired from May 1 to June 15, 2003, on English and French networks (50% prime time, 1,000 GRPs), specialty channels (200 GRPs), and Aboriginal and multilingual television (20-30 spots per week).</li> </ul> <p>Radio</p> <ul style="list-style-type: none"> <li>The 30-second radio spot aired from May 1 to May 25, 2003, in measured French and English national markets (600 GRPs). In addition, 25 spots per week aired in non-measured English and French, Aboriginal and official language minority markets.</li> </ul> <p>Print</p> <ul style="list-style-type: none"> <li>Black and white 1/4- or 1/3-page print advertisements were placed in English and French dailies, and weekly and monthly community, official language minority, multilingual and Aboriginal newspapers. The advertisements ran on three Saturdays in the dailies, and once in the other newspapers, between May 10 and June 30, 2003.</li> <li>The four-color, full-page print advertisement ran for one placement in targeted English and French magazines (July issues).</li> </ul>

<sup>3</sup> Reach is defined as the percentage of a target audience reached once by a media vehicle or media schedule.

## Evaluation

### Web

- Internet banner/button/text advertisements (five in English and five in French) were placed on 10 relevant Web sites, such as *Today's Parent*, and provided a direct link to the children's portal on the Canada Site (canada.gc.ca). These advertisements ran from May 20, 2003, until the end of August 2003.
- An icon on the home page of the Canada Site also provided a direct link to the children's cluster. The icon was present from May 20 to July 8, 2003.

### Method

- Pre-testing included four two-hour focus groups. Two sessions were held in Winnipeg and two in Montreal. Demographic groups interviewed were: lower income with kids; middle/upper income (1/2 with kids and 1/2 without).
- The campaign was evaluated using the Government of Canada's common quantitative evaluation tool, and was based on a national, random, telephone survey with 1,000 members of the Canadian general public. The objective was to measure awareness, recall and impact of the advertisements.

### Results

- 32% saw or heard at least one advertisement.
- 56% of those who saw the advertisement recalled seeing the advertisement on television, 31% recalled seeing it in a newspaper, and 13% recalled hearing it on the radio.
- Unaided recall of the main messages of the advertisements tended to revolve around the ideas that children/families need help, that information is available about services for children and their families, and that the Government of Canada is helping low-income families.

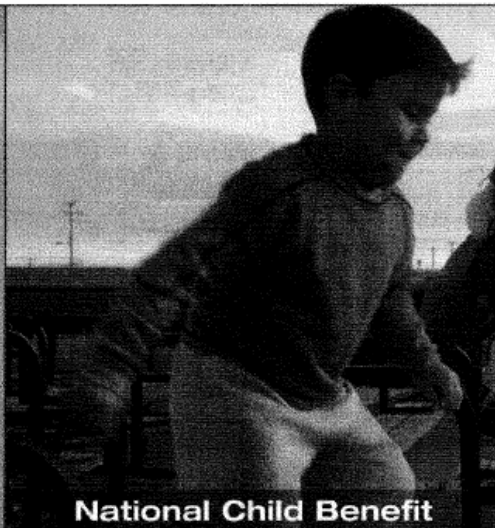
### Response Rate

- During the campaign, public inquiries about Government of Canada services for children averaged 2,610 per month. (Before the start of the campaign, enquiries averaged 1,685 per month.)
- The children's cluster received 77,444 hits during the campaign, for an average of 25,814 hits per month (compared with 7,337 hits in the month before the campaign).
- Between May 20, 2003, and the end of August 2003, the banner/button/text advertisements were viewed by 1.3 million Canadians, of whom 17,000 clicked on the advertisement to view the children's cluster.
- Between May 20 and July 8, 2003, the Services for Children icon was the most popular icon on the Canada Site home page, receiving 8,504 hits.

## Campaign Costs

Production	\$500,000	(2002-2003)
	\$157,878	(2003-2004)
Media placement	\$6,303,036	
Evaluative research		
Testing concepts	\$42,589	
Testing rough-cut ads	\$19,003	
Post-testing	\$26,349	

## Services for Children



### National Child Benefit

For our children to be happy and healthy, they need many things. Some are free, but many are not. The National Child Benefit (NCB) gives financial support to low-income families. This helps parents work towards a brighter future for their children. And it also helps to reduce child poverty in Canada.

To find out more about all our services for children and their families and to receive your guide:

- 1-800-O-Canada (1-800-622-6232)
- Toll-free 1-800-463-7726
- [canada.gc.ca](http://canada.gc.ca)
- Service Canada Access Centres



Canada

Government of Canada  
campaign with  
the participation of  
many government  
organizations, led  
by Human Resources  
Development Canada  
(Social Development  
Canada)



## **Appendix 8**

### **Government advertising expenditure by type 1995-1996 to 2004-2005**

Source: Department of the Prime Minister and Cabinet, Extract from answers to questions on notice received 7 October 2005 and revised 29 November 2005.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**13 September 2005**



Questions on Notice

Senator Murray asked the following:

1. What sums did the Commonwealth government spend on advertising in (i) Australian, (ii) metropolitan, (iii) suburban, (iv) regional and (v) country area (a) newspapers, (b) radio, and (c) television in each financial year from 1995-96 to 2004-05 inclusive?
2. What criteria are used to determine the placement of advertisements, particularly with respect to local, regional and country outlets?
3. What percentage of the campaign budget allocated to newspaper advertising for campaigns costing \$100,000 or more in the years 1996-97 to 2003-04 inclusive was devoted to non-English language newspapers?
4. What percentage of the campaign budget allocated to radio advertising for campaigns costing \$100,000 or more in the years 1996-97 to 2003-04 inclusive was devoted to non-English radio?

The answers to Senator Murray's questions are as follows:

1.	(i)	(ii)	(iii)	(iv) and (v)	(a)	(b)	(c)
Year	National Press	Metropolitan Press	Suburban Press	Regional & Rural Press	Total Press	Total Radio	Total Television
1995-1996	\$1,122,316	\$6,561,126	\$329,298	\$4,942,399	17,174,937	\$4,797,445	\$22,117,907
1996-1997	\$902,459	\$4,957,851	\$104,276	\$3,414,330	\$11,115,501	\$4,886,653	\$11,095,737
1997-1998	\$1,530,630	\$10,252,328	\$376,127	\$7,836,491	\$22,765,408	\$6,824,281	\$24,987,883
1998-1999	\$1,166,511	\$10,815,985	\$610,498	\$2,718,053	\$21,640,157	\$6,383,727	\$23,712,917
1999-2000	\$2,173,474	\$22,683,598	\$5,504,866	\$29,969,099	\$64,282,310	\$15,649,763	\$100,602,852
2000-2001	\$1,822,583	\$15,075,546	\$2,658,917	\$14,054,503	\$35,288,521	\$15,306,422	\$74,720,627
2001-2002	\$1,139,841	\$10,182,982	\$1,316,917	\$7,654,513	\$21,292,508	\$7,579,774	\$46,450,199
2002-2003	\$407,028	\$6,335,529	\$521,008	\$4,186,833	\$12,192,161	\$5,243,663	\$27,357,719
2003-2004	\$954,692	\$9,961,453	\$512,392	\$9,182,579	\$21,909,997	\$6,196,448	\$59,077,350
2004-2005	\$1,477,246	\$9,933,890	\$706,514	\$7,089,397	\$21,149,718	\$7,454,772	\$43,199,533

Note: As it is not possible to separate out campaigns less than \$100,000, all campaigns placed through the Central Advertising System have been included. Total Press at column (a) above also includes expenditure for NESB, Indigenous, Overseas, Street press, Kids media and Trade press. 1995-1998 expenditure also includes magazines.

2. Media are selected following developmental research with the target audiences and an analysis of information available through the use of various proprietary media tools used by the Master Media placement agency to inform about the media habits of the range of demographic and psychographic target audience profiles. The Master Media agency makes recommendations to the Government Communications Unit, client department and finally the Ministerial Committee on Government Communications which considers and approves media plans.

3.	%
1996-1997	2.0%
1997-1998	4.4%
1998-1999	4.4%
1999-2000	5.8%
2000-2001	4.5%
2001-2002	4.4%
2002-2003	5.6%
2003-2004	5.1%

4.	%
1996-1997	figures not available
1997-1998	figures not available
1998-1999	2%
1999-2000	13.8%
2000-2001	6.9%
2001-2002	4.8%
2002-2003	5.6%
2003-2004	9.3%

Note: Defence Force Recruiting is exempt from the 7.5% NESB requirement. Some campaigns in specific locations are not serviced by NESB press (e.g. Commonwealth Regional Information Service). For some large campaigns 7.5% expenditure would be excessive (e.g. Taxation Reform).

## **Appendix 9**

**Answers to questions on notice**

**Government Communications Unit, PM&C**



**Australian Government**

**Department of the Prime Minister and Cabinet**



CONTACT: Greg Williams  
TELEPHONE: (02) 6271 5828  
FACSIMILE: (02) 6271 5850

3-5 NATIONAL CIRCUIT  
BARTON ACT 2600

Mr Alistair Sands  
Secretary  
Finance & Public Administration  
References Committee  
Parliament House  
CANBERRA ACT 2600

Dear Mr Sands

**Inquiry into Government Advertising and Accountability**

Please find attached responses to questions taken on notice at the Committee hearing on 7 October 2005.

I apologise for the delay in replying.

Yours sincerely

Greg Williams  
First Assistant Secretary  
People, Resources and Communications Division  
29 November 2005



**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 4 and 5)**

**Senator Carr** asked:

What was the revenue to and expenditure from the Campaign Advertising Special and Media Commission Special Accounts for 2004-05 and the last 5 years?

The answer to Senator Carr's question is contained in the attachment.

	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
<b><u>Media Commissions Account</u><sup>1</sup></b>							
<b>Revenue</b> (Including all receipts) <sup>2</sup>	5,037,497	6,385,295	7,490,327	6,918,211	3,603,994	2,957,657	4,618,908
<b>Expenditure</b>	3,810,065	2,229,483	3,987,188	9,553,615	3,214,015	2,874,306	2,790,699
<b><u>Campaign Account</u><sup>1</sup></b>							
<b>Revenue</b> (Including all receipts) <sup>2</sup>	1,245,806	2,011,050	2,293,684	1,813,762	890,219	991,094	1,543,827
<b>Expenditure</b>	298,487	212,512	512,332	4,865,241	792,599	956,000	850,000

<sup>1</sup> Data obtained from PM&C's financial statements

<sup>2</sup> Excludes GST

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 5)**

**Senator Carr** asked:

How much was rebated to departments from the Media Commissions payable on government advertising?

The answer to Senator Carr's question is:

The amount rebated is 6% of the total media spend (60% of the media commission), across all users of the Central Advertising System (Departments, agencies, Statutory Authorities, eligible NGO's and the ACT and NT Governments).

In 2004-05 the amount totalled \$5.3 million.

The rebate is used to offset the cost of creative advertising agency costs.

The amount is rebated by the master media placement agency to the relevant department or agency through a net invoice for the cost of media rather than by a separate payment.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 5)**

**Senator Carr** asked:

How much has been paid to Universal McCann in recent years?

The answer to Senator Carr's question is:

Universal McCann has received total remuneration of \$7,569,317 (excluding GST) from the commencement of the contract in December 2002 until September 2005.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 5)**

**Senator Carr** asked:

What revenue to the Media Commissions Special Account has been used for additional advertising?

The answer to Senator Carr's question is:

In March 2004 an amount of \$120,548 was paid for print advertising. The amount was subsequently reimbursed by the client department.

Records held by the Government Communications Unit do not indicate that the Media Commissions Special Account has been used for other advertising.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 5)**

**Senator Carr** asked:

How long have the Special Accounts been operating?

The answer to Senator Carr's question is:

The two accounts were established in 1984.

Prior to that a trust account was operated by the Australian Government Advertising Advisory Council, a non-government body which managed the remuneration of creative advertising agencies working on government campaigns for their media-related head hours and using the media commissions generated by the advertising. That system had been in operation since the 1940s.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 5)**

**Senator Carr** asked:

Is the Media Commission Special Account that was established by the Department of Finance the same as the one we are referring to now?

The answer to Senator Carr's question is:

Yes.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 6)**

**Senator Carr** asked:

How often is the Media Commission Special Account used to pay for advertising?

The answer to Senator Carr's question is:

Based on records held by the Government Communications Unit, the Media Commissions Special Account has been used once to pay for advertising.



**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 9)**

**Senator Carr** asked:

How much money has passed through the Media Commission and Campaign Advertising Special Accounts since November 2004?

The answer to Senator Carr's question is:

Receipts into the Media Commissions Special Account since November 2004 amounted to \$4,097,023 and expenditure from the Account for the same period has been \$2,986,702.

Receipts into the Campaign Advertising Special Account since November 2004 amounted to \$1,343,756 and expenditure from the Account for the same period has been \$637,500.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 9)**

**Senator Carr** asked:

What is the current balance in the Media Commission and Campaign Advertising Special Accounts?

The answer to Senator Carr's question is:

The Media Commissions Special Account balance at 30 September 2005 was \$8,961,902.

The Campaign Advertising Special Account balance at 30 September 2005 was \$2,854,791.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 9)**

**Senator Carr** asked:

Are the two accounts reported in the budget papers and where would I find the reference?

The answer to Senator Carr's question is:

The accounts are referred to in the Portfolio Budget Statement for 2005-06 at page 21 where the information is captured through the financial statement data in Table 2.5.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 9)**

**Senator Carr** asked:

Have any other campaigns received money from these accounts in the last year?

The answer to Senator Carr's question is:

No.

**Senate Finance and Public Administration References Committee**  
**Inquiry into Government Advertising and Accountability**  
**Hearing of 7 October 2005**  
**(Hansard page 12)**

**Senator Carr** asked:

Was the repayment of \$12.6m recorded in the portfolio budget statement?

The answer to Senator Carr's question is:

The repayments were factored into the estimated figures presented in the special account flows and balances table 2.5 at page 21, however there was no specific mention about the transaction in the descriptive text.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 13)**

**Senator Carr** asked:

Was there a reference in the 2004-05 portfolio budget statement to the establishment of the new accounts?

The answer to Senator Carr's question is:

No. There was no reference to the new accounts in the 2004-05 PBS as the requirement to amend the purpose clauses to facilitate remittance to the consolidated revenue fund only became apparent after the PBS was published. The old accounts were abolished and the new accounts established in November 2004.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 14)**

**Senator Carr** asked:

Can the discrepancy in advertising expenditure between the parliamentary research note of 21 June 2004 and the figures quoted in the submission by the Department of the Prime Minister and cabinet be attributed to expressing the amounts at 2003-2004 prices?

The answer to Senator Carr's question is:

No. The parliamentary research note quotes both nominal and 2003-2004 costs and also rounds the figures.

There are three years that differ from the records held by the Government Communications Unit in relation to the nominal costs.

1. In 1998-1999 the annual report (referenced by Dr Grant, Parliamentary Library) under reported expenditure by approximately \$6.6 million. This was due to the failure of the master media placement agency for non-campaign advertising to report expenditure by untied government advertisers (i.e. those covered by the *Commonwealth Authorities and Companies Act 1997*)
2. In 2000-2001 the figure recorded in the annual report (referenced by Dr Grant, Parliamentary Library) was overstated. It would appear that in the early stages of drafting the report an indicative figure was included, but was not updated once the end of financial year data was finalised.
3. In 2003-2004, the figure mentioned at the May Senate Estimates hearing (referenced by Dr Grant, Parliamentary Library) was for expenditure to date and did not include campaign and non-campaign expenditure for May and June 2004.

The consequence of the above is an under-reporting by the Parliamentary Library of approximately \$35.3m since 1996-1997

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 15)**

**Senator Carr** asked:

Based on the Prime Minister and Cabinet figure of \$929 million for media, can you advise what has been the total cost of advertising including agency fees, production, research and direct mail for the period 1996 to 2003 -04?

The answer to Senator Carr's question is:

Initial inquiries with departments and agencies reveal that it may not be possible to produce the relevant information with any degree of accuracy or consistency given a number of factors including, but not limited to, the various Machinery of Government changes over the period, the fact that information is not maintained on site with departments and agencies and that some advertising placed is for non-Commonwealth agencies, (e.g. ACT and NT governments).

Of the \$929 million, approximately \$236.1 million is for non-campaign advertising where agency fee, production and despatch amount to approximately 10% and is funded by the media commission (i.e. it is inclusive, not additional).

Of the remaining \$693 million, it is the general rule of thumb that for individual campaigns, between 10 – 15% of the media budget is allocated for research and a similar amount for creative advertising agency fees and production costs.

Direct mail is costed separately as required, as it is not necessarily a part of every campaign.

It is noted that departments and agencies are required to report these expenditures in their Annual Reports.

Detailed costing information has not been in a central location since 1998.

In the period 1996 to 2004 State government advertising expenditure totalled \$2.423 billion. (sourced from Commercial Advisory Service of Australia.)



**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 23)**

**Senator Carr** asked:

How many advertisements were prepared for the GST campaign and of those how many did not go to air?

The answer to Senator Carr's question is:

There were 48 television, 18 radio and 8 press advertisements used in the GST campaign. In addition a number of the television commercials were edited to produce 17 cut-down versions. These were ultimately not required.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 23)**

**Senator Carr** asked:

Was there an advertisement for the GST campaign that cost \$600,000 to produce and which was not used?

The answer to Senator Carr's question is:

No.

**Senate Finance and Public Administration References Committee**

**Inquiry into Government Advertising and Accountability**

**Hearing of 7 October 2005**

**(Hansard page 26)**

**Senator Carr** asked:

Will you release copies of tracking research that you hold for campaigns?

The answer to Senator Carr's question is:

The usual practice is that a decision on whether to release any aspect of the research is taken at the conclusion of the research activity.

**Senate Finance and Public Administration References Committee**  
**Inquiry into Government Advertising and Accountability**  
**Hearing of 7 October 2005**  
**(Hansard page 34)**

**Senator Carr** asked:

When did the Government Communications Unit first hear about the campaign for Support the System that Supports You?

The answer to Senator Carr's question is:

The GCU was aware of the proposed campaign on 30 November 2004.