

DEPARTMENT OF THE PRIME MINISTER AND CABINET

SUBMISSION TO THE AUSTRALIAN SENATE, FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

INQUIRY INTO GOVERNMENT ADVERTISING AND ACCOUNTABILITY

The Department of the Prime Minister and Cabinet which includes the Government Communications Unit welcomes the opportunity to make a submission to the Inquiry into Government Advertising.

Background

Principles for Government Information Programs

Government information programs are conducted on the premise that all Australians have equal rights of access to information about programs, policies and activities which affect their benefits, rights and obligations. All government departments, agencies and authorities are expected to carry out their public information programs based on the principles of fairness and equity. These programs are required to be conducted at a level appropriate for their impact on the community.

Guidelines for Government Information Activities

Australian government campaign advertising is undertaken within a strictly controlled environment incorporating clear lines of authority for the development, approval and conduct of communication campaigns. All campaign advertising is undertaken within the framework of the Guidelines for Australian Government Information Activities 1995.

Central Advertising System

The Australian Government operates the Central Advertising System (CAS) to consolidate government advertising expenditure, secure optimal media discounts and value-added benefits and to ensure that Australian Government departments and agencies do not compete against each other for media time and space.

The CAS is managed by the Government Communications Unit (GCU), which engages media specialists to assist in media planning, placement and rates negotiations with media outlets.

Currently there are two master media placement agencies. Universal McCann handle all campaign media planning and placement, while hma Blaze places all non-campaign advertisements, such as job vacancies, tender and public notices.

The master media contracts run for a four-year term. The current contracts expire on 30 September 2006.

All Australian government departments and agencies that are subject to the *Financial Management and Accountability Act 1997* (FMA Act) are required to place their advertising through the CAS. Commonwealth Statutory Authorities and Government

Business Enterprises, and organisations that receive Australian Government funding for communication purposes, may also place their advertising through the System.

Campaign Advertising

Campaign advertising is subject to consideration and approval by the Ministerial Committee on Government Communications (MCGC). The MCGC approves the communication strategy, creative agency brief and list of agencies to be invited to pitch on individual campaigns. The MCGC selects the creative agency following a competitive process and evaluation of proposed creative materials. The MCGC also approves the final creative and media plan before the campaign appears in the media (the government advertising approval process is shown at Attachment A).

The master media agency for campaign advertising, Universal McCann, develops individual media strategies in consultation with the GCU and the client department. The media strategy is part of the brief that is given to the competing advertising agencies to be incorporated in their creative pitch. Universal McCann also compiles the media plan and following MCGC approval, books the media in accordance with the plan.

Each campaign is monitored for performance with the target audience. If necessary, the media plan (and/or the creative strategy) may be amended. A media performance evaluation report is compiled and provided to the client department when the campaign is completed.

Non-Campaign Advertising

Non-campaign advertising is simple non-sensitive, no frills advertising that usually appears only once in the media and is not tied to ongoing or substantial budget campaign activity. Non-campaign advertisements are generally job vacancies in Australian Government organisations, public notices and tenders. Non-campaign advertising is not subject to MCGC consideration.

Ministerial Committee on Government Communications

The MCGC has overall responsibility for approving the manner in which communication campaigns are delivered.

The purpose of the MCGC is to ensure that all government information activities meet the information needs of the community. The MCGC makes the key decisions relating to major and/or sensitive information activities undertaken by Australian Government departments and agencies prescribed under the FMA Act.

The MCGC is chaired by the Special Minister of State and has four other permanent members who together provide a whole of government perspective. The Minister responsible for the information activity, or his or her representative, is a member of the MCGC for consideration of that activity. The MCGC applies the Guidelines for Australian Government Information Activities, issued in 1995, to all information activities.

Well-structured information activities are based on sound communication strategies and research. A sound strategy describes the information to be communicated, the target audiences, the proposed approach, and the research that informs, develops and evaluates the communication. Each element of the strategy is specified in a brief

supplied to the consultants who will pitch for the work. In a large campaign there will be briefs for a market research consultant, a public relations consultant and an advertising agency.

Where the campaign falls within the MCGC's jurisdiction, the communications strategy, briefs and lists of agencies (prepared in consultation by the department and the GCU from consultants in the GCU Register of Consultants) must all be approved by the MCGC. The MCGC selects the successful consultant from the shortlist prepared by the department, assisted by the GCU. The selection of the market research consultant is generally made without further reference to the MCGC, and departments, assisted by the GCU, make the choice.

These processes are implemented having regard to the Australian Government Procurement Guidelines, which are based on the principles of value for money, open and effective competition, ethics and fair dealing, and accountability and reporting.

Finally, the MCGC approves the creative material and the media plan before it is placed in the media.

During the process of developing the campaign the GCU provides advice on compliance with the Guidelines for Australian Government Information Activities and the relevant department certifies that all material included in the campaign is complete and accurate.

Government Communications Unit

The MCGC is supported by the GCU which has developed extensive guidance material for departments and agencies. This material can be located at <http://www.gcu.gov.au/code/about/pg2.html> .

The key GCU functions are to:

- provide strategic advice on proposed communications issues to the Prime Minister and the MCGC
- maintain a whole of government overview of current and forecast communications activities
- provide advice to the MCGC on major and/or sensitive campaigns
- 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 CAS to achieve effective media planning and cost-effective media placement for government advertising.

Statement Addressing Terms of Reference

A. Level of expenditure on, and the nature and extent of, government advertising since 1996.

Since financial year 1996-1997 expenditure through the CAS has totalled \$929 million. Advertising by departments has been consistent with the Guidelines for Australian Government Communication Activities 1995 and has been intended to inform members of the community about their rights, entitlements and obligations and in some instances to encourage consideration of issues such as alcohol and drug abuse, smoking and the environment.

Over the same period of time, the State and Territory governments also conducted information campaigns to inform members of the community about their rights, entitlements and obligations as they relate to State and Territory issues. Since 1996, expenditure in respect of these campaigns totalled \$2.148 billion¹.

The CAS also facilitates advertising by government museums and galleries to promote exhibitions and by more commercial organisations such as Australia Post, the Australian National University and Meat and Livestock Australia. These organisations are subject to the *Commonwealth Authorities and Companies Act 1997* and, as such, fall outside the ambit of the MCGC.

Of the \$929 million, expenditure on non-campaign advertising amounts to \$236.1 million. The campaigns below reflect those exceeding \$5 million over the eight year period:

Defence Force Recruitment	\$167.5m
A New Tax System (ATO)	\$105.8m
Medicare Entitlements	\$39.5m
Apprenticeships	\$34.8m
Australian Electoral Commission	\$24.4m
Telstra Share Sales	\$21.4m
A New Tax System (non ATO)	\$19.1m
Referendum and Constitutional Convention	\$18.7m
Anti-Smoking	\$17.5m
Treasury - Tax related	\$16.0m
Private Health Insurance issues	\$14.6m
Lifetime Health Cover	\$13.2m
Quarantine	\$9.8m
Childhood Immunisation and Measles	\$9.2m
Illicit Drugs	\$7.7m
Citizenship	\$6.7m
Breast and Cervical Screening	\$6.2m
Citizenship	\$6.7m
National Security	\$5.7m
Alcohol abuse	\$5.5m
Superannuation	\$5.4m

¹ Sourced from Commercial Advisory Service of Australia

The remaining activity comprises a large number of relatively minor expenditure campaigns on a range of issues from health, employment, and Centrelink, to environmental issues.

B. The process involved in decision making on government advertising including the role of the Government Communications Unit and the Ministerial Committee on Government Communications.

An outline of the process is covered in the Background above and a process flowchart is at Attachment A.

Further information about the GCU and the MCGC is available at the GCU website <http://www.gcu.gov.au/code/infodept/index.html> .

The Guidelines for Australian Government Information Activities 1995 Principles and Procedures (the 1995 Guidelines) are available on the website at: http://www.gcu.gov.au/code/pdf/Government_Information_Activities.pdf .

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.

The Department is committed to the proper use of public resources and to the avoidance by public servants of any activity that is directed at the support of a particular political party. The background provided at the commencement of this submission is intended to illustrate that there is currently in place a robust set of processes surrounding the conduct of government advertising under the auspices of the 1995 Guidelines. The following comments are provided in response to the proposed guidelines contained in the Reports of the Auditor General and the Joint Committee of Public Accounts and Audit (JCPAA). (A comparison of the main elements of the 1995 Guidelines, the guidelines of the New South Wales and Victorian Governments and the guidelines proposed by the Auditor General and the JCPAA is at Attachment B.)

The two underlying principles of the guidelines suggested by the Auditor-General raise no problems for the Department. Interpreting the detail of the proposed guidelines, however, presents difficulties for officials.

There would, for example, be practical difficulties in implementing Guideline 2 of the Auditor-General's Guidelines (refer to Attachment D of this submission). The following examples illustrate the practical challenges of interpreting Guideline 2:

- Measles immunisation advertisements would not be seen as unbiased by those who oppose immunisation.
- Explicit anti-smoking advertisements might not be seen as objective where worst-case scenarios are employed to ensure message "cut-through".

There would also be difficulties in interpreting Guideline 3. The various issues identified at the first point under Guideline 3 highlight the subjectivity and difficulty of officials interpreting whether a particular information campaign would or would not be liable to misrepresentation as "party-political". It would always be difficult for officials to make judgments 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.

Similarly, Guideline 3 of the Guidelines for Government Advertising, proposed by the Joint Committee of Public Accounts and Audit in Report 377 (refer to Attachment E of this submission or visit the website at:

<http://www.aph.gov.au/house/committee/jpaa/CEIP/contents.htm>), would pose difficulties in interpretation and application. Ideally, officials should be enabled to operate with clear, unambiguous guidelines in carrying out their duties. The imprecise and contentious nature of this topic is illustrated by the Chairman of the JCPAA in his foreword to Report 377:

“The Committee has a proud record of bringing down consensual reports. This issue of Government advertising guidelines is highly controversial (party political).

However 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.”

Guideline 4.1 would also be difficult to comply with. When an information campaign focuses on the rights and obligations of members of the public, that information must be communicated on the basis of a person’s right to know and the right to participate regardless of who that person is or where they reside. Accordingly, the identification of the costs versus the benefits to be achieved by an information campaign would be difficult, if not impossible, to quantify in a meaningful sense.

In practice, the interpretation and application of these guidelines would be subjective in determining the:

- relevance;
- objectivity and fairness;
- intent to promote party-political interests; and
- cost effectiveness of information campaigns.

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.

As the Government has not implemented the draft Guidelines suggested by the Auditor-General and the Joint Committee of Public Accounts and Audit, the Department has no comment on this Term of Reference.

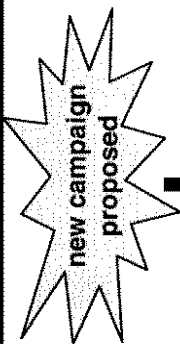
E. The Senate Order of 29 October 2003 relating to advertising projects, and whether the order is an effective mechanism for parliamentary accountability in relation to government advertising.

The government has decided that there are already sufficient avenues available to identify advertising-related information.

A copy of the statement made by Senator Hill to the Senate on this matter is at Attachment C.

The MCGC process

Australian Government
Department of the Prime Minister and Cabinet
Government Communications Unit



- ▶ All campaigns go to MCGC (ie major or sensitive communications activities)
- ▶ Funds are available for campaign
- ▶ Minister has given in principle approval

developmental research

- ▶ Department draft brief
- ▶ GCU comments on brief and provides list of consultants
- ▶ Minister approves brief and consultants
- ▶ MCGC approves
- ▶ Department/GCU selects consultants
- ▶ Research conducted and reported

communications strategy and consultant selection

- ▶ Department drafts communication strategy and communications briefs
- ▶ GCU comments on communication strategy and briefs
- ▶ GCU provides lists of consultants
- ▶ Minister approves communications strategy, briefs, consultant list, draft media strategy and plan
- ▶ MCGC approves communications strategy, briefs, consultant lists and notes draft media plan

- ▶ Department evaluates proposals and shortlists two agencies
- ▶ Minister approves shortlist
- ▶ MCGC selects consultants

advertising production & placement

- Advertising component**
- ▶ Creative materials further refined and researched
 - ▶ MCGC approves materials for production
 - ▶ Materials researched
 - ▶ MCGC approves final materials
 - ▶ Department, creative agency & media planning agency - review and book media plan.
 - ▶ MCGC approves media plan

end of MCGC involvement

 campaign evaluation

- Advertising component**
- ▶ Creative presented to Department, GCU & researcher
 - ▶ Researcher tests creative

- Advertising component**
- ▶ Department prepares campaign media brief for master media planning and placement agency
 - ▶ Master media planning & placement agency prepares media strategy and plan

Attachment B

Comparison between 1995 Guidelines for Australian Government Information Activities, the proposed Auditor -General's Guidelines, the proposed JCPAA Guidelines and Guidelines for NSW and Victorian State Governments.

[Please note some paraphrasing has occurred to abbreviate the format]

Issue	Auditor General	JCPAA	1995 Guidelines	New South Wales	Victoria
Principles	<p>Right of access to information about programmes, policies and activities which affect benefits, rights and obligations</p> <p>Use of public funds legitimate to explain policies programmes and services and to inform on obligations, rights and entitlements.</p>	<p>Right of access to information about programmes, policies and activities which affect benefits, rights and obligations</p> <p>Use of funds legitimate for information, education campaigns to inform obligations, rights and entitlements.</p> <p>Not to be for party political purposes.</p>	<p>Right of access to information about programmes, policies and activities which affect benefits, rights and obligations.</p> <p>Communications must be fair and equitable and at a level appropriate to the community impact;</p> <p>be impartial, complete, needs-based, based on research and evaluated;</p> <p>meet needs of special audiences; reflect community profile.</p>	<p>Right of access to information about programmes, policies and activities which affect benefits, rights and obligations.</p> <p>Fair and equitable.</p> <p>Level appropriate to the community impact.</p> <p>Based on research and evaluated.</p> <p>Meet needs of special audiences.</p>	<p>Communications have role in efficient, effective pursuit of public policy.</p> <p>Inform about rights, duties, responsibilities and entitlements.</p> <p>Communications to be equitable, fair, appropriate and accountable.</p>
Guidelines	<p>Material should be relevant to Government responsibilities</p> <p>Information strategy required and campaigns to be needs-based and researched-based.</p> <p>Material to be presented in an objective and fair manner</p> <p>Provide objective, factual and explanatory information, based on accurate verifiable facts. All claims to be substantiated.</p> <p>Audience to be able to distinguish between facts and comment, opinion or analysis.</p> <p>Comparisons should not mislead.</p> <p>Material should not be liable to misrepresentation as party-political:</p> <p>Campaigns not to intentionally promote</p>	<p>Material should be relevant to Government responsibilities:</p> <p>Information strategy required, needs-based, targeted, research-based.</p> <p>Material should be presented in an objective, fair, and accessible manner</p> <p>Objective, factual explanatory material, unbiasedly presented. Accurate, verifiable facts carefully presented. No unsubstantiated claims.</p> <p>Audience to be able to distinguish between facts and comment, opinion or analysis.</p> <p>Comparisons should not mislead.</p> <p>Attend to special needs of disadvantaged and Special audiences.</p> <p>Reflect community profile.</p> <p>Material should not be liable to misrepresentation as party political</p> <p>Information not to promote in a politically partisan or biased way.</p>			<p>Material should not be liable to misrepresentation as party political</p> <p>Public funds not to be used for communications where:</p>

Attachment B

<p>party-political interests. Presentation to be unbiased and objective with no partisan promotion or political argument. Materials not to attack opposition parties or groups. Avoid party-political slogans and images. Possible restriction of ministers' photos in govt. publications.</p>	<p>Free from partisan promotion and political argument using unbiased, objective language. Materials not to attack opposition parties or groups. Avoid party-political slogans and images. Not support party, or election candidate.</p>	<p>Party in Govt. is named Message could be misinterpreted as party-political. Materials not to attack opposition parties or groups. Govt. members named. Method is manifestly excessive. No apparent accountability or due process. Government is in caretaker except public safety or preservation of order in an emergency.</p>
<p>Distribution of sensitive material should be controlled Govt. information not to be reproduced by political party members without approval. Materials to comply with relevant laws. Economic and relevant distribution. Cost/benefit analysis prior to campaign. Unbiased media selection. Procurement policies to be followed.</p>	<p>Material should be produced and distributed in an efficient, effective and relevant manner with regard to accountability Cost/benefit analysis prior to campaign. Unbiased, needs-based, media selection. Procurement policies to be followed.</p>	<p>Material should be produced and distributed in an efficient, effective and relevant manner with regard to accountability Communications to observe high standards of fairness, equity, probity, responsibility and comply with law, carry authorisation, accurate presentation of facts, meet purchasing policy</p>
<p>Special Audiences Where relevant liaise with community organisations. Ensure NESB audiences appropriately addressed. Spend 7.5% of press and radio budgets in NESB press and radio respectively. Where press and radio not used special consideration required. NESB strategies to be included in annual information plans. Particular and careful attention to needs of Aboriginal and Torres Strait Islanders</p>	<p>Special Audiences 7.5% press budget in NESB press and 3% electronic in NESB electronic except where mainstream exceeds \$500k then NESB increases to 10% & 3 5% respectively</p>	<p>Special Audiences Need to be sensitive to NESB needs, Address disabled's needs, not discriminate, environmentally responsible, claims substantiated, provide contact details and comply with quotas set by Govt for special audiences</p>
<p>Purpose and Process (also includes process guidelines from GCU website) All major and/or sensitive information activities, with</p>	<p>Purpose and Process Cabinet Committee to assess appropriateness and cost</p>	<p>Purpose and Process Communications with the community are undertaken to:</p>

Attachment B

<p>Maximise compliance with law. Inform new/changed laws. Raise awareness of planned initiative. Ensure public safety, encourage responsible behaviour. Keep order in emergencies. Inform on rights, responsibilities, duties and entitlements. Familiarise with Govt. products and services. Report Govt performance. Encourage social cohesion, civic pride and tolerance.</p>	<p>effectiveness of advertising over \$50k (incl. production). The Committee monitors expenditure and policy application, incl. NESB, approves creative agency appointments (3 years max.) and approves creative materials. Government Advertising Agency (GAA) in Dept. Commerce manages master media agencies. Departments to provide advertising strategies for forthcoming 6 months in Jan. and July. Omissions require Premier's approval. Competitive agency selection involves GAA. Ads to cease 2 months before an election, except public health and safety issues.</p>	<p>advertising or not, and which use outside consultants to be discussed with GCU, approved by Minister and MCGC. Research relating to an information programme that is sensitive or exceeds \$100k is considered by MCGC. MCGC considers campaign evaluation. Cabinet submissions with initiatives requiring communications to include details. Identify and address needs of target audience. Materials must comply with relevant laws (Electoral Act, Broadcasting Services Act etc.). All advertising must be placed through the Central Advertising System. Media plans to be approved by the MCGC. No related advertising to occur while relevant legislation is before the Parliament. TV commercials are to be cleared by Free TV Australia. TVCs to be closed captioned. All advertising is to be authorised and carry the appropriate authorisation on creative materials. Media selection must be based on media consumption habits of identified target audience. Advertising to cease during the caretaker period unless bi-partisan agreement is secured for such advertising as public health and welfare and Defence Force recruitment. All advertisements are checked for sensitivities before release. Information containing facts and data is checked for ambiguity and accuracy.</p>	
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Response to return to order

I seek leave to make a statement in response to a Senate order to produce documents.

The order arises from a motion moved by the leader of the Opposition in the Senate (Senator Faulkner) and Senator Murray, as agreed by the Senate on 29 October 2003, and relates to agency advertising and public information projects.

The government has been, and continues to be, committed to transparency in government advertising and public information projects and has worked to provide the Senate with comprehensive information through mechanisms such as the Senate order on departmental and agency contracts (commonly called the Murray motion), through agency and departmental annual reporting arrangements, and through the Gazettal of contracts on the Internet.

Scrutiny of government by the Senate through questions on notice and Senate estimates hearings are other important ways in which details of particular and topical issues are made public, and the government continues to support these approaches as important methods of accountability to the parliament, particularly where the public interest is served.

These mechanisms allow detailed information about the cost of government advertising campaigns to be made publicly available. Government support for these mechanisms has seen high levels of compliance and a progressive improvement in the information reported.

The order also seeks an opinion as to whether campaigns comply with Guidelines to Government Advertising recommended by the JCPAA in its Report No. 377 of 4 October 2000. Those Guidelines were the subject of dissent within the Committee on the grounds that they would require, inter alia, that officials would have to make assessments as to whether or not advertising material was liable to misrepresentation as party political. The government has not adopted these Guidelines and continues to observe the Guidelines for Australian Government Information Activities that were adopted by the previous government in February 1995.

The Australian Government continues to support a broad approach which allows detailed scrutiny and accountability, but which avoids duplication and unnecessary complexity and costs. 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.

Senator Robert Hill

ANAO SUGGESTED PRINCIPLES AND GUIDELINES FOR THE USE OF GOVERNMENT ADVERTISING

Audit Report No 12 1998-99

Suggested Principles and Guidelines for the Use of Government Advertising

The following principles and guidelines are 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:

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, except where access to this information would represent a breach of government responsibilities; and
- governments may legitimately use public funds⁸ 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;

Guidelines

1. Material Should Be Relevant To Government Responsibilities

In developing material to be communicated to the public it is suggested that:

- the subject matter should be directly related to the Government's responsibilities;
- an information strategy should be considered as a routine and integral part of policy development and program planning; and
- no campaign should be contemplated without an identified information need by identified recipients based on appropriate market research.

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.

2. Material Should Be Presented In An Objective And Fair Manner

The following guidelines are suggested to assist in determining whether the material communicated is presented in an explanatory, fair and objective manner:

- Information campaigns should be directed at the provision of objective, factual and explanatory information. Information should be presented in an unbiased and equitable 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 always 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 mislead the recipient about the situation with which the comparison is made and it should state explicitly the basis for the comparison.

3. Material Should Not Be Liable To Misrepresentation As Party-Political

- Information campaigns should not intentionally promote, or be perceived as promoting, party-political interests. Communication may be perceived as being party-political because of any one of a number of factors, including:
 - what was communicated;
 - who communicated it;
 - why it was communicated;
 - what it was meant to do;
 - how, when and where it was communicated;
 - the environment in which it was communicated; or
 - the effect it had.
- Material should be presented in unbiased and objective language, and in a manner free from partisan promotion of government policy and political argument.
- 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. This may involve restrictions on the use of ministerial photographs in government publications.

4. Distribution Of Sensitive Material Should Be Controlled

- Distribution of sensitive, unsolicited material should be carefully controlled. As a general rule, publicity touching on politically controversial issues should not reach members of the public unsolicited except where the information clearly and directly affects their interests. Generally, they may only be issued in response to individual requests, enclosed with replies to related correspondence or sent to organisations or individuals with a known interest in the area.
- Care should be taken to ensure that Government advertising material is not used or reproduced by members of political parties in support of party-political activities without appropriate approval.
- All advertising material and the manner of presentation should comply with relevant law, including broadcasting, media and electoral law.
- Material should be produced and distributed in an economic and relevant manner, with due regard to accountability.
- No information campaign should be undertaken without a justifiable cost/benefit analysis. The cost of the chosen scale and methods of communicating information must be justifiable in terms of achieving the identified objective(s) for the least practicable expense. 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.
- 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.

The Parliament of the Commonwealth of Australia

Report 377

Guidelines for Government Advertising

Joint Committee of Public Accounts and Audit

September 2000

Canberra

Chairman's Foreword

This report contains guidelines for Commonwealth Government advertising developed by the Joint Committee of Public Accounts and Audit following its review of *Audit Report No. 12, 1998-99, Taxation Reform, Community Education and Information Programme*.

The audit report, tabled on 29 October 1998, had reviewed the processes surrounding the Community Education and Information Programme (CEIP), an advertising campaign conducted in the months prior to the announcement of the 1998 election. Both the CEIP and the Auditor-General's subsequent report had caused much debate.

The Committee decided to review the audit report on 10 December 1998.

Early in its deliberations the Committee decided to focus on the issues in which it could be instrumental in delivering a positive outcome – the development of new guidelines for Commonwealth Government advertising. This followed the Auditor-General's suggestion that more specific guidance on the use of government advertising would be helpful.

The Committee took as a starting point the guidelines suggested by the Auditor-General in an appendix to his report. These were compared to the existing guidelines first released in 1995 and with other guidelines in both Australian and overseas jurisdictions. These included guidelines proposed by the Australasian Council of Auditor-Generals, the audit offices of Queensland, Victoria, and the guidelines of the United Kingdom and New Zealand Governments.

The Committee has a proud record of bringing down consensual reports. This issue of Government advertising guidelines is highly controversial (party political).

However 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.

The Committee commends this report and the guidelines to the Government for consideration.



Bob Charles MP
Chairman

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Membership of the Committee

Chairman Mr R Charles MP

Deputy Chairman Mr D Cox MP

Members

Senator H Coonan

Mr K Andrews MP

Senator the Hon J Faulkner

Mr M Brough MP (until 7/3/00)

Senator the Hon B Gibson AM

Mr P Georgiou MP

Senator J Hogg

Ms J Gillard MP

Senator A Murray

Mr A Griffin MP (until 9/8/99)

Senator J Watson

Mr P Lindsay MP (from 7/3/00)

Hon A Somlyay MP

Mr L Tanner MP (from 9/8/99)

Mr K Thomson MP (from 10/4/00)

Mr S St Clair MP

Ms T Plibersek MP (until 10/4/00)



Membership of the Sectional Committee

Chairman Mr B Charles MP

Deputy Chairman Mr D Cox MP

Members Senator H Coonan Mr K Andrews MP
Senator the Hon J Faulkner Mr P Georgiou MP
Senator J Hogg Mr A Griffin MP (until 9/8/99)
Hon A Somlyay MP

Committee Secretariat

Secretary Dr M Kerley

Inquiry Secretary Dr J Carter

Research Officer Ms R Perkin

Administrative Officer Ms L Gillies

Ms M Pappas

Duties of the Committee

The Joint Committee of Public Accounts and Audit is a statutory committee of the Australian Parliament, established by the *Public Accounts and Audit Committee Act 1951*.

Section 8(1) of the Act describes the Committee's duties as being to:

- (a) examine the accounts of the receipts and expenditure of the Commonwealth, including the financial statements given to the Auditor-General under subsections 49(1) and 55(2) of the *Financial Management and Accountability Act 1997*;
- (b) examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (c) examine all reports of the Auditor-General (including reports of the results of performance audits) that are tabled in each House of the Parliament;
- (d) report to both Houses of the Parliament, with any comment it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, that the Committee thinks should be drawn to the attention of the Parliament;
- (e) report to both Houses of the Parliament any alteration that the Committee thinks desirable in:
 - (i) the form of the public accounts or in the method of keeping them; or
 - (ii) the mode of receipt, control, issue or payment of public moneys;

- (f) inquire into any question connected with the public accounts which is referred to the Committee by either House of the Parliament, and to report to that House on that question;
- (g) consider:
 - (i) the operations of the Audit Office;
 - (ii) the resources of the Audit Office, including funding, staff and information technology;
 - (iii) reports of the Independent Auditor on operations of the Audit Office;
- (h) report to both Houses of the Parliament on any matter arising out of the Committee's consideration of the matters listed in paragraph (g), or on any other matter relating to the Auditor-General's functions and powers, that the Committee considers should be drawn to the attention of the Parliament;
- (i) report to both Houses of the Parliament on the performance of the Audit Office at any time;
- (j) consider draft estimates for the Audit Office submitted under section 53 of the *Auditor-General Act 1997*;
- (k) consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*;
- (l) make recommendations to both Houses of Parliament, and to the Minister who administers the *Auditor-General Act 1997*, on draft estimates referred to in paragraph (j);
- (m) determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities;
- (n) determine the audit priorities of the Parliament for audits of the Audit Office and to advise the Independent Auditor of those priorities; and
- (o) undertake any other duties given to the Committee by this Act, by any other law or by Joint Standing Orders approved by both Houses of the Parliament.



Terms of Reference

Following concerns raised by the Auditor-General in his *Audit Report No. 12, 1998-99, Taxation Reform – Community Education and Information Programme*, the Joint Committee of Public Accounts and Audit will undertake an inquiry to:

- review government information and advertising arrangements to assist in determining appropriate guidelines for taxpayer funded programs;
- examine whether the legislative provisions of the appropriation Bills governing the use of the Advance to the Minister for Finance and Administration ensure appropriate scrutiny where Parliamentary and general public interest indicate a matter is likely to be contentious;
- review the guidelines for the assessment of requests for copyright of Commonwealth developed material, particularly when such material may be used for party-political purposes during an election period; and
- review related matters raised in the Auditor-General's *Audit Report No. 12, 1998-99, Taxation Reform – Community Education and Information Programme*.

Recommendation

Recommendation 1

The Committee recommends that the Government adopt the Joint Committee of Public Accounts and Audit's draft guidelines for government advertising.

Guidelines for Government Advertising

Introduction

- 1.1 On 29 October 1998 the Auditor-General tabled *Audit Report No. 12, 1998–99, Taxation Reform – Community Education and Information Programme*. On 10 December 1998, the Committee resolved to conduct an inquiry into the issues that had been raised in the audit report.
- 1.2 Invitations to provide submissions to the inquiry were advertised in the national press on 18 and 19 December 1998. As well, submissions were invited from the agencies that had been referred to in the audit report. The Committee received 29 submissions and 28 exhibits during the course of the inquiry. A list of submissions and exhibits can be found at Appendix A and at Appendix B.
- 1.3 The Committee subsequently held two public hearings on 17 March and 18 May 1999. A list of participants at the hearings can be found at Appendix C.

The Committee's draft advertising guidelines

1.4 In his report, the Auditor-General stated:

If the Parliament has concerns over the future usages of government advertising, it is primarily a matter for the Parliament and/or Government to develop and adopt appropriate guidelines that clearly define and articulate characteristics of government advertising which differentiate between Government and party-political material.¹

1.5 The Auditor-General included as an appendix to his report a draft set of guidelines.²

1.6 The Committee was unable to reach agreement on a full report into the issues arising out of the audit report. The Committee therefore resolved that it was not in the best interests of the Committee to produce majority and minority reports. Rather, the Committee chose to focus on the central issue arising from the audit report, being a new set of draft guidelines for government advertising.

1.7 In addition, Mr Cox argued that an objective test for the expenditure of public money on information and education campaigns should be incorporated in the guidelines to determine the threshold between what is party political and an appropriate expenditure by government. In particular:

- 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.
- 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.

1 Auditor-General, *Audit Report No. 12, 1998-99, Taxation Reform – Community Education and Information Programme*, AGPS, Canberra 1998, p. 30.

2 Auditor-General, *Audit Report No. 12, 1998-99*, pp. 57-60.

- 1.8 In addition, Mr Georgiou dissented from components of the guidelines entitled *Material should not be liable to misrepresentation as party political* on the following grounds:
- 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 report do not provide a sufficiently clear and objective basis for assessing whether or not such a perception is valid.

Recommendation 1

- 1.9 The Committee recommends that the Government adopt the Joint Committee of Public Accounts and Audit's draft guidelines for government advertising.
- 1.10 There were different views within the Committee regarding whether the guidelines should be legislated.

Guidelines for government advertising campaigns

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.

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;

Material should not be liable to misrepresentation as party political

- 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.

- 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 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 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.

Bob Charles MP
Chairman
6 September 2000