

Government Advertising: June 2015 to April 2019

Across Entities

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Canberra ACT
26 August 2019

Dear Mr President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit across entities titled *Government Advertising: June 2015 to April 2019*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Summary and recommendations

Background

1. Successive Australian governments have maintained a framework to regulate the use of campaign advertising by selected government entities.¹ The overarching aim of the framework introduced in 2008 is to provide the Parliament and the community with confidence that public funds are used to meet the genuine information needs of the community. The current framework provides that the 'underlying principles governing the use of public funds' for all government information and advertising campaigns are that:

- (a) members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations;
- (b) governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour; and
- (c) government campaigns must not be conducted for party political purposes.²

2. Since 2008, key confidence-building features of the framework have included principles-based guidelines, and a process for entity chief executives to certify the compliance of campaigns against these principles. In certifying campaigns, chief executives have also been supported by third-party advice for most of the period since 2008. The five 'information and advertising campaign principles' included in the most recent (2014) iteration of the guidelines are:

Principle 1: Campaigns should be relevant to government responsibilities.

Principle 2: Campaigns should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign.

Principle 3: Campaigns should be objective and not directed at promoting party political interests.

Principle 4: Campaigns should be justified and undertaken in an efficient, effective and relevant manner.

Principle 5: Campaigns must comply with legal requirements and procurement policies and procedures.³

3. The Special Minister of State is responsible for the administration of the campaign advertising framework and is supported by the Department of Finance (Finance). Finance manages whole-of-government provider contracts, reports annually on expenditure, publishes the guidelines following their approval by government, and provides further guidance and advice to entities through its website and on request from entities.

4. Between 2010–11 and 2017–18, average Australian Government expenditure each financial year on advertising campaigns was \$210 million (adjusted for inflation). This expenditure

1 The framework currently applies to non-corporate Commonwealth entities.

2 Department of Finance, *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, December 2014, p. 3. These principles have remained broadly consistent since 2008.

3 *ibid.*

included media placement, communications suppliers and GST, but did not include administrative costs.

Rationale for undertaking the audit

5. The rationale for undertaking this audit is to provide the Parliament with assurance as to whether the campaign advertising framework and its implementation provide public confidence in the administration of taxpayer-funded advertising, as expected when the framework was introduced a decade ago. The audit has been conducted in a context where aspects of the framework are not as rigorous as arrangements applying in other jurisdictions and there has been a general weakening of the framework over time.⁴

6. The Australian Parliament retains a strong interest in the framework's operation. There has been a continued focus on the accountability issues articulated by the Joint Committee of Public Accounts and Audit in 2000 and the Senate Finance and Public Administration References Committee in 2005, which informed the framework's introduction in 2008:

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 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.⁵

7. In the course of this audit, specific requests for ANAO review of government advertising were received from five Parliamentarians⁶, reflecting Parliamentary and community debate of government advertising campaigns and related expenditures in the period before the 2019 federal election. The cost and purposes of government funded advertising, including the Powering Forward campaign reviewed as part of this audit, were a focus of the Parliament during the 2019–20 Budget Estimates hearings held in April 2019.

8. This audit continues the ANAO's coverage of the framework, to provide Parliament with: information on its development; campaign expenditures over time; and assurance as to whether entities have effectively implemented the framework and complied with the requirements of the campaign advertising guidelines.

4 See paragraphs 1.10–1.12 of this audit report.

5 Senate Finance and Public Administration References Committee, *Government advertising and accountability*, December 2005, p. xiii.

6 The Auditor-General responded on 8 October 2018 to a request from Mr Pat Conroy MP dated 28 September 2018, asking that the Auditor-General conduct an audit of aspects of the Government advertising campaign: *Powering Forward*. That correspondence is available at <https://www.anao.gov.au/work/request/government-advertising-campaign-powering-forward>. The Auditor-General also responded on 26 April 2019 to correspondence from Dr Kerryn Phelps AM, MP and three co-signatories dated 10 April 2019, requesting that the Auditor-General conduct an investigation to examine campaign advertising expenditure and related matters. That correspondence is available at <https://www.anao.gov.au/work/request/audit-advertising-expenditures-the-australian-government-phelps-bandt-sharkie-banks>.

Audit objective and criteria

9. The objective of the audit is to assess the effectiveness of the Department of Finance's and selected entities' implementation of the Australian Government's campaign advertising framework.

10. To form a conclusion against this objective, the following high-level criteria apply:

- Does the Department of Finance effectively administer the Australian Government's campaign advertising framework?
- Were selected campaigns compliant with the Australian Government's campaign advertising framework?

11. The audit examined developments in the administration of the framework from the end of the period examined by the previous ANAO audit (June 2015) until April 2019. In addition, three campaigns were selected for review:

- the *Powering Forward campaign* conducted from late 2017 to April 2019, administered by the Department of the Environment and Energy (Environment);
- the *Physical Activity for Young Women campaign* conducted from early 2016 to mid-2018, administered by the Department of Health (Health); and
- the *National Child Care Plan campaign* conducted in late 2017 and mid-2018, administered by the Department of Education and Training (Education).⁷

Conclusion

12. Finance and the selected entities have been largely effective in elements of their administration of framework requirements. Finance has been largely effective in its central agency role, and the selected entities have largely complied with the framework's process requirements relating to campaign review and certification, and the publication of certification advice. There remains scope for improvement in entities' administrative practices relating to: documenting the accuracy of campaign statements (Environment); procurement and financial commitments (Environment); assessing and documenting the need for additional campaign activity (Environment and Health); and the basis for evaluating campaigns (Health and Education).

13. The Australian Government's campaign advertising framework was introduced in 2008 with the express purpose of providing confidence that taxpayer funded campaigns are legitimately authorised, properly targeted and non-political. A decade on, this area of government administration remains contested, with an ongoing focus on the discretion inherent in the framework and the long-term trend of increased campaign expenditure before elections. The persistence of debate over the use of public resources for certain government campaigns indicates that the framework has not achieved its primary purpose of building confidence and is therefore ineffective in respect to this outcome. In these circumstances, there would be merit in the Parliament and Australian Government revisiting the framework. This audit report includes recommendations aimed at improving both the selected entities' administration and the framework's transparency. The recommendations reflect the findings of this audit and

⁷ The department was renamed the Department of Education following changes to the Administrative Arrangements Order on 29 May 2019.

four previous ANAO audits conducted since the framework's introduction. Framework-level recommendations focus on: clarifying mandatory requirements to reduce the large measure of discretion which is a feature of the framework; strengthening the third-party compliance advisory function to enable it to review campaigns at any stage of development; improving the transparency of approved campaign budgets and annual expenditure reporting; and applying certification processes to media releases associated with launching a campaign.

14. Finance has been largely effective in its central agency role of supporting entities, providing secretariat support to third-party reviewers, preparing the annual campaign expenditure report and advising government on emerging issues such as the management of online reputational risks. The whole-of-government framework administered by Finance continues to exhibit shortcomings. Four of the five principles in the guidelines are not mandatory and the third party compliance advisory process does not help chief executives determine that a campaign complies with the guidelines, as third party review happens early in the campaign development process. Annual expenditure reporting to Parliament is not consolidated or complete and the release of information on government approved campaign budgets is discretionary. Transparency and accountability to Parliament would be improved if all related advertising costs and GST were included in the total annual figures reported by Finance, and if approved campaign budgets were reported as soon as possible after launching a new campaign or phase.

15. Environment undertook most of the required review and certification processes for each phase of the Powering Forward campaign. The campaign was relevant to Australian government responsibilities but the department's verification of campaign statements, which presented information as fact, was not documented before the campaign first launched or before the launch of subsequent phases. The ANAO is not in a position to provide assurance on whether all the reviewed campaign statements were accurate and verifiable, as the department was not able to demonstrate a clear line of sight between those statements and source material provided for review. Procurement was not consistent with all requirements until Phase 5, and Environment did not create a clear audit trail of approvals and decisions about procurement, as required by the guidelines. Benchmarking, monitoring and evaluation was conducted throughout the campaign. While evaluations called into doubt the campaign's effectiveness, Environment continued the campaign.

16. Health undertook the required review and certification processes for the Physical Activity for Young Women campaign. Health adhered to principles 1 to 3 and largely with principle 5 of the guidelines. Regarding Principle 4, while there was an identified justification for the initial phase of the campaign, the department was unable to adequately demonstrate the continuing justification for the campaign based on evaluation results. Health included a number of additional activities for the campaign (events, merchandise and partnerships) but did not evaluate these to determine effectiveness or value for money.

17. Education undertook the required review and certification processes for the National Child Care Plan campaign. Education adhered to Principles 1 to 4 of the guidelines and left a clear audit trail. There is scope to improve compliance with Principle 5, as not all procurement requirements were satisfied. Education evaluated the campaign and found it to be effective, although the evaluations did not report against the performance targets set for the campaign.

Supporting findings

Administration of the Australian Government campaign advertising framework (Chapter 2)

18. Roles and responsibilities under the framework are clear and well documented. The 2014 Guidelines specify the roles and responsibilities of the Special Minister of State, the Independent Communications Committee, responsible Ministers, entities and their chief executives. Terms of reference have been provided to the third-party reviewer (the Independent Communications Committee) and relevant Cabinet committee administrative processes have been documented by the Department of the Prime Minister and Cabinet.

19. The Department of Finance's annual public report on *Campaign Advertising by Australian Government Departments and Agencies* documents Finance's role in the framework, the role of key stakeholders, and the framework's operation.

20. Four of the five 'information and advertising campaign principles' are not mandatory. This has been the case since 2008, notwithstanding previous ANAO commentary and an agreed audit recommendation to clarify which parts of the guidelines are mandatory. Failure to strengthen the guidelines indicates that retaining flexibility and discretion in the framework's operation is valued over certainty and clarity of expectations.

21. The third-party review process undertaken by the Independent Communications Committee does not provide a high level of confidence to accountable authorities — and by extension the Parliament and community — regarding a campaign's compliance with the guidelines. The framework does not enable review later in a campaign's development and the Committee's advice is limited to whether a campaign is 'capable' of compliance, not whether it is compliant. A previous ANAO recommendation to strengthen the third-party compliance advisory function, by enabling review at any stage of a campaign's development, has not been taken up by government. Finance's two Ministerial submissions on the ANAO recommendation did not demonstrate good practice, with the first recommending that the Special Minister of State note the recommendation, and the second recommending what the department understood to be the Minister's preferred approach without providing considered options.

22. Annual expenditure reporting to Parliament is not consolidated or complete and can be enhanced to provide additional confidence to Parliament and the community on the use of taxpayers' money. Consolidated total expenditure figures in Finance's annual reports to Parliament have only captured 62 to 70 per cent of total expenditure as they have not included the work of third-party communication suppliers or GST. Finance would enhance the transparency of its annual public reporting by providing consolidated information on all campaign advertising expenditure and by separating the Australian Electoral Commission's advertising spend relating to general elections from the overall media placement spend. Transparency and accountability to the Parliament would be further enhanced by reporting the approved government budget for a campaign, or a new phase of an existing campaign, as soon as possible after launching a new campaign or phase.

23. Finance has proactively responded to various brand safety risks facing Australian Government advertising. Finance also issued guidance to entities regarding talent management and the use of social influencers, to further support entities' management of reputational risk.

The Australian Government introduced restrictions on the use of paid social media influencer strategies in campaign advertising and/or related public relations activities in August 2018.

Powering Forward campaign (Chapter 3)

24. In its Powering Forward campaign, Environment undertook most review and certification requirements. The Independent Communications Committee reviewed four of the five campaign phases and provided reports to the departmental Secretary. The Secretary certified all campaign phases but the certification for Phase 1 occurred after the campaign launch. The guidelines require that the entity chief executive give the campaign certification to the responsible Minister — the ANAO has seen no evidence that this occurred. Publication requirements were undertaken.

25. The campaign was relevant to Government responsibilities and was presented in an accessible manner. Environment did not document the verbal briefings which informed the Secretary's campaign certification and did not contemporaneously document the links between information presented as fact in the campaign and underlying information sources. Environment advised the Independent Communications Committee that the campaign's key messages and supporting information could be verified by other agencies or parties. However, the department was not able to demonstrate a clear line of sight between all campaign statements and the source material it referenced in a verification matrix prepared for ANAO review. As a consequence the ANAO is not in a position to provide assurance on whether all the reviewed campaign statements were accurate and verifiable.

26. Campaign materials were objective and not directed at promoting party political interests. The Ministerial statement released at the launch of Phase 4 contained overt political argument and could be interpreted as being directed at strengthening community support for the government of the day. There would be benefit in providing for all media releases associated with launching a taxpayer funded campaign or campaign phase to be subject to the approval and certification processes applying to campaign materials.

27. Environment's justification for producing 3,400 brochures outside the campaign advertising framework is unclear. The brochures were prepared at the department's discretion and at public expense without authorising statements, notwithstanding the use of campaign imagery, branding and content. The brochures were provided to the Minister's office.

28. Environment did not comply fully with relevant legal requirements and procurement policies and procedures. Ongoing justification for the campaign was not clear-cut, as successive evaluation reports indicated that the campaign was not realising all of its key performance indicators.

29. Environment benchmarked, monitored and evaluated each phase of the campaign. Environment also set performance measures and used them to gain insights into the campaign's overall effectiveness. The overall evaluation for the campaign's first three phases reported that its impact was limited. Environment nonetheless conducted a fourth phase at a cost of \$4 million (including GST). After receiving an evaluation that Phase 4 of the campaign struggled to engage the audience, Environment conducted a fifth phase at a cost of \$11 million (including GST) without documenting whether this represented a proper use of public resources.

Physical Activity for Young Women campaign (Chapter 4)

30. Health undertook most of the necessary review and certification requirements for the Physical Activity for Young Women campaign. Health's Secretary certified all campaign phases before they commenced. Health did not provide its Minister with a copy of the Secretary's Certifications prior to the launch of each phase, as required by the guidelines. Publication requirements were undertaken.

31. The campaign was: relevant to government responsibilities; presented in an objective and accessible manner; and campaign messaging was not directed at promoting party political interests. The campaign justification was an identified public health need and the department followed a media plan and the master media agency's advice for efficient and effective media placement. There was a variance of \$1 million between actual expenditure and the figure reported in Finance's annual report to Parliament, due to the approach adopted for reporting expenditures to Finance. There is no basis on which to assess the overall efficiency and effectiveness of the campaign, as Health did not evaluate the impact of campaign events, merchandise or campaign partnerships on the physical activity of young women. Health sought advice on compliance with legal requirements. There was compliance with procurement policies and procedures, with the exception of some contract publication timeframes.

32. Each phase of the campaign was evaluated, with the Phase 3 evaluation providing an overview of the entire campaign. Health did not develop performance targets until Phase 3 and did not report performance against these targets in the final evaluation report. The evaluations reported high reach but there was little evidence of impact on the physical activity levels of the target audience. Phase 3 was undertaken at a cost of \$6 million, notwithstanding evaluations indicating that the campaign was unlikely to change behaviour in the short term.

National Child Care Plan campaign (Chapter 5)

33. Education undertook the necessary review, certification and publication requirements for the National Child Care Plan campaign. The Independent Communications Committee reviewed the two campaign phases together. The Secretary's certification was aided by a thorough briefing pack, including a checklist developed by the department to ensure compliance with the guidelines.

34. The campaign was: relevant to government responsibilities; presented in an objective and accessible manner; and campaign messaging was not directed at promoting party political interests. The campaign justification was that it communicated changed administrative and financial arrangements directly affecting families, and policy changes requiring families to take action to update their personal details. Education adopted the recommended media plan which advised on how to achieve efficient and effective reach for the campaign. Education sought advice on compliance with legal requirements and largely complied with procurement requirements for the campaign.

35. The department closely monitored traffic to the campaign website and media channel performance to assess effectiveness, and reported positive results for the campaign. Education evaluated the campaign, but in the absence of specific performance targets for public awareness, transition, webpage traffic and stakeholder activity, there is no basis to fully evaluate the success of the campaign.

Recommendations

Recommendation no.1 The *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* be strengthened to ensure that:

Paragraph 2.22

- (a) campaigns *must* be relevant to government responsibilities (Principle 1);
- (b) campaigns *must* be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign (Principle 2);
- (c) campaigns *must* be objective and not directed at promoting party political interests (Principle 3); and
- (d) campaigns *must* be justified and undertaken in an efficient, effective and relevant manner (Principle 4).

Department of Finance response: *Noted.*

Recommendation no.2 The Australian Government amend the terms of reference for the third-party compliance advisory function (currently undertaken by the Independent Communications Committee) to enable it to review and advise on:

Paragraph 2.38

- (a) campaigns at any stage of development; and
- (b) final advertising materials, including creative materials and the media plan.

Department of Finance response: *Noted.*

Recommendation no.3 The Department of Finance improve the transparency of its annual reporting on campaign expenditure by:

Paragraph 2.52

- (a) reporting a total expenditure figure for all campaigns that consolidates media spend, 'consultants, services and other costs', and GST; and
- (b) separating the Australian Electoral Commission's advertising spend relating to general elections from the overall media placement spend.

Department of Finance response: *Partially agreed.*

Recommendation no.4 The Australian Government require entities to report on the government approved budget for any new campaign or any new phase of an existing campaign, as soon as possible after launching the campaign or new phase.

Paragraph 2.58

Department of Finance response: *Noted.*

- Recommendation no.5**
Paragraph 3.33
- The Department of the Environment and Energy amend its campaign certification process to:
- (a) contemporaneously document how it has verified the accuracy of all statements to be made in its advertising campaigns; and
 - (b) ensure the chief executive has access to documented advice on the factual basis of all campaign statements before certifying that a campaign complies with the campaign advertising guidelines.

Department of the Environment and Energy response: *Disagreed.*

- Recommendation no.6**
Paragraph 3.42
- The Australian Government require all media releases associated with launching a campaign or campaign phase to be subject to the approval and certification processes applying to campaign advertising materials.

Department of Finance response: *Noted.*

- Recommendation no.7**
Paragraph 3.61
- The Department of the Environment and Energy review its procurement and commitment processes for campaign-related services to ensure full compliance with its procurement policies and the requirement of the campaign advertising guidelines for a clear audit trail regarding decision-making.

Department of the Environment and Energy response: *Agreed.*

- Recommendation no.8**
Paragraph 3.75
- If a campaign is evaluated to have weak results against its objectives, the Department of the Environment and Energy assess whether continuing the campaign represents proper use of taxpayer resources, and document the reasons for continuing the campaign.

Department of the Environment and Energy response: *Disagreed.*

- Recommendation no.9**
Paragraph 4.43
- The Department of Health set clear and measureable performance targets for short and long-term advertising campaigns and report against the targets.

Department of Health response: *Agreed.*

- Recommendation no.10**
Paragraph 5.34
- The Department of Education report against the performance targets it has set for its advertising campaigns.

Department of Education response: *Agreed.*

Summary of entity responses

36. Summary responses from the four departments are provided below, with full responses included in Appendix 1. Extracts of the draft report were also provided to the Department of the Prime Minister and Cabinet, the Independent Communications Committee, the Minister for Energy and Emissions Reduction (the Hon Angus Taylor MP) and former Minister for the Environment and Energy (the Hon Joshua Frydenberg MP). Responses from the Independent Communication Committee and Minister Taylor were received and are included in Appendix 1.

Department of Finance

Finance welcomes the conclusion that it has been largely effective in its administration of the Government's campaign advertising framework, including proactively managing brand safety risks, and providing strong support and advice to the Independent Communications Committee, and entities conducting campaigns.

Finance notes Recommendations 1, 2, 4 and 6 which are policy matters for consideration by Government. Finance partially agrees to Recommendation 3, reflecting that a high level of transparency is already achieved through the current format of annual reporting on campaign expenditure.

Department of the Environment and Energy

The Department of the Environment and Energy notes the ANAO's findings that the Powering Forward campaign has met the standard expected in the government advertising guidelines. The Department's view, based on independent evaluation, is that the campaign was very successful and met all of its key objectives.

Specifically, the campaign built recognition strongly, delivered clear messaging around asking for a better electricity deal and encouraged people to take action.

The final evaluation report states that 63 per cent of those exposed to the campaign taking at least one action directly as a result of seeing the advertising, with almost one in four contacting an energy provider to request a better deal — equating to around 700,000 households.

These evaluation results are further supported with the Australian Energy Market Commission's 2019 annual retail competition review which notes that households switching energy retailers has hit a record high of 24.4 per cent.

The Department of the Environment and Energy notes the ANAO's conclusion that it has complied with the campaign advertising framework, with the exception of administrative procurement process improvements and welcomes the ANAO's recognition of improvements implemented during phase 5 of the campaign.

The Department of the Environment and Energy disagrees with the ANAO recommendation to amend its campaign certification process and stands by the current process. Accountable Senior Executive Service officers undertake significant due diligence in their advice to the chief executive and use appropriate judgement to determine how much documentation is required to support that decision. The Department notes the ANAO's acknowledgement that there is no prescribed form of briefing required by the guidelines.

ANAO comment on Department of the Environment and Energy summary response

37. The ANAO has not concluded that the Powering Forward campaign 'met the standard expected in the government advertising guidelines'. As discussed in paragraph 24 and Recommendation 7, the ANAO found shortcomings in Environment's administration of the campaign.

Department of Health

The Department of Health (the department) welcomes the findings in the report for the Physical Activity for Young Women campaign and agrees with recommendation 9 which relates to the department setting clear and measurable performance targets for short and long-term advertising campaigns and report against the targets.

The audit found whilst the campaign had attitudinal, behavioural, awareness and intentional objectives for all three phases of the campaign, to effectively evaluate the performance of advertising campaigns against stated objectives, the department should set clear and measurable performance targets and report against them. The department will continue to build on the short and long-term objectives with clear performance targets for campaigns in line with the behavioural change model for communication campaigns and the whole of government campaign evaluation framework. The department will report against the targets.

In addition, the report states the department did not formally evaluate the events, merchandise and partnerships for the campaign. Formal evaluation of these activities sits outside the scope of the evaluation framework. However the master media buying agency provided a report on the performance of the events. The department conducted and documented an internal analysis of their performance which incorporated website analytics, social media metrics, the use of the campaign hashtag, event reach and attendance, distribution numbers and media coverage to determine value for money and effectiveness in engaging young women.

The ANAO report states the campaign adhered to principles 1 to 3 and largely with principle 5 of the guidelines. The department attained letters from the Independent Communication Committee (ICC) for each phase of the campaign stating it is capable of complying with principle 1–4 of the guidelines. The department used the evaluation research from each phase and existing research and data on physical activity levels in Australia to demonstrate the need for each phase of the campaign. The documented evidence provided for ICC consideration formed the basis of certification of the campaign against the principles, including principle 4.

The department notes recommendation 3 by the ANAO relating to the financial reporting of campaign expenditure by the Department of Finance. The Department of Finance is provided these figures directly from the master media buying agency without any oversight from the department. The department can confirm the figures reported in the annual report are the gross media buy value only and not the total media buy expenditure.

ANAO comment on Department of Health response

38. As discussed in paragraphs 4.26 to 4.30, the internal analysis by Health on events, merchandise and partnerships did not conclude on the effectiveness or the value for money for conducting these activities.

Department of Education

The department welcomes the report and will use the findings and observations in the report to continue to strengthen our compliance with all aspects of the information and advertising campaign principles for future campaigns.

The department agrees with the ANAO's recommendation and notes the positive findings, including that the department's briefing package to the Secretary reflects a better practice example of supporting the chief executive on compliance with the guidelines.

The department is committed to ensuring that its administration of future advertising campaigns addresses the recommendation. Additional procedures that focus on reporting against set performance targets have been included in our advertising campaign compliance processes.

Key messages from this audit for all Australian Government entities

39. Below is a summary of key messages, including instances of good practice, which have been identified in this audit that may be relevant for the operations of other Australian Government entities.

Governance and advice

- The Department of Education and Training (now Department of Education) provided a comprehensive briefing package to its Secretary prior to certification for each phase of the National Child Care Plan campaign. The department's approach was a better practice example of supporting the chief executive and facilitating compliance with government policy.

Program design

- As a number of entities undertake advertising campaigns, there is an opportunity for inexperienced entities to consult with their more experienced counterparts. There is no need to start from scratch, when insights and process refinements can be shared by those who have undertaken government advertising campaigns before.

Performance and impact measurement

- To properly assess the effectiveness of government campaigns, it is necessary to establish clear and measureable performance targets and report progress against the set targets.
- Where campaigns or campaign phases are evaluated to have no clear impact on public behaviour, it is necessary to assess whether continuing them represents a proper use of public resources. The reasons for continuing a campaign or campaign phase should be documented.

Audit findings

1. Background

The Australian Government campaign advertising framework

1.1 The Australian Government's campaign advertising framework applies to non-corporate Commonwealth entities (entities) under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

1.2 Principles-based guidelines were introduced in 2008. These provided that the entity chief executive (known as the accountable authority under the PGPA Act) were responsible for certifying that advertising campaigns complied with the guidelines. Third-party review of a campaign's compliance was undertaken by the Auditor-General, based on a limited assurance approach. The guidelines have been amended over time to implement the following key changes:

- 2010 — new guidelines were introduced and the Auditor-General's review was replaced by that of the Independent Communications Committee, appointed by the government.
- 2013 — the government introduced short-term interim guidelines, while it considered its long-term approach to information and campaign advertising. The Independent Communications Committee met for the last time in August 2013, with entity chief executives to provide their certifications to the relevant Minister, who would seek endorsement from the Special Minister of State prior to a campaign launching.
- 2014 — new guidelines were published ('Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities') modelled on the 2010 guidelines. The 2014 guidelines took effect from 1 February 2015, and the Independent Communications Committee was again established as a third-party reviewer operating under more limited terms of reference. Entity chief executives remain responsible for certifying compliance with the guidelines and providing this certification to their Minister. Endorsement is not required by the Special Minister of State.

1.3 The 2014 guidelines include three 'underlying principles governing the use of public funds' for all government advertising campaigns:

- (a) members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations;
- (b) governments may legitimately use public funds to explain government policies, programs or services, to inform members of the public of their obligations, rights and entitlements, to encourage informed consideration of issues or to change behaviour; and
- (c) government campaigns must not be conducted for party political purposes.⁸

1.4 The guidelines also include five detailed 'Information and Advertising Campaign Principles', which set the context in which government campaigns should be conducted, as shown in Box 1.

8 Department of Finance, *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, 2014, p. 3.

Box 1: The Information and Advertising Campaign Principles

- Principle 1: Campaigns should be relevant to government responsibilities.
- Principle 2: Campaigns should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign.
- Principle 3: Campaigns should be objective and not directed at promoting party political interests.
- Principle 4: Campaigns should be justified and undertaken in an efficient, effective and relevant manner.
- Principle 5: Campaigns must comply with legal requirements and procurement policies and procedures.

Note: Each principle has supporting explanatory paragraphs in the guidelines.

Source: Department of Finance, *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, 2014. Available from <https://www.finance.gov.au/advertising/campaign-advertising/guidelines/> [accessed 27 August 2018].

1.5 The key principles contained in the guidelines have remained broadly consistent since 2008.

1.6 The 2014 guidelines provide that prior to a campaign's release into the market, the entity chief executive is required to certify compliance with the guidelines and relevant government policies for all campaigns over \$250,000, following receipt of a report by the Independent Communications Committee on the campaign's compliance with Principles 1 to 4.

1.7 The Special Minister of State is responsible for the administration of the campaign advertising framework and is supported by the Department of Finance (Finance). Finance manages whole-of-government provider contracts, reports annually on expenditure, publishes the guidelines following their approval by government, and provides further guidance and advice to entities through its website and on request from entities.

Purpose of the framework

1.8 The Australian Government amended the arrangements applying to government advertising in 2008, following recommendations of the Joint Committee of Public Accounts and Audit (JCPAA) and the Senate Finance and Public Administration References Committee. In its 2005 report on *Government advertising and accountability*, the Senate committee stated that the key accountability issues relating to government advertising were as follows:

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.⁹

1.9 When the Australian Government's revised campaign advertising framework and supporting guidelines were launched in July 2008, the Special Minister of State and Finance Minister stated that the purpose of the new procedures was to 'give the public confidence that campaigns are legitimately authorised, properly targeted and non-political'.¹⁰ In particular, the guidelines and certification process were intended to 'ensure Government advertising and information campaigns provide objective, factual and explanatory information, free from partisan promotion of government policy and political argument'.¹¹ When releasing the most recent iteration of the guidelines in December 2014, the Special Minister of State highlighted the continuity of approach since 2010, including retention of principles-based guidelines and third-party review of campaigns by the Independent Communications Committee.¹² The Special Minister of State also stated that:

The principles require that campaigns be:

- relevant to government responsibilities;
- presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign;
- objective and not directed at promoting party political interests;
- justified and undertaken in an efficient, effective and relevant manner; and
- compliant with the legal requirements and procurement policies and procedures.¹³

Previous audits

1.10 Government advertising campaigns have been the subject of a series of ANAO reports, which have also reviewed the development of the campaign advertising framework introduced in 2008.¹⁴ Key findings from these reports have included:

9 Senate Finance and Public Administration References Committee, *Government advertising and accountability*, December 2005, p. xiii. In its September 2000 report No.377 *Guidelines for Government Advertising*, the JCPAA had recommended the adoption of guidelines for advertising, similar to those proposed in Auditor-General Report No.30 1994–95 *Commonwealth Government Information and Advertising*, which had suggested the adoption of principles and guidelines for the development, content and presentation of government advertising. In 2005 the JCPAA's recommendations had not been taken up by the Australian Government.

10 J Faulkner, (Special Minister of State), and L Tanner, (Minister for Finance and Deregulation), 'New Advertising Guidelines', joint media release 22/2008, 2 July 2008.

11 *ibid.*

12 S Ryan, (Special Minister of State), 'Oversight of Information and Advertising Campaigns by Australian Government Departments and Agencies', media release 13/14, 23 December 2014.

13 *ibid.*

14 Auditor-General Reports in the government advertising series include:

- No.24 2008–09 *The Administration of Contracting Arrangements in relation to Government Advertising to November 2007*;
- No.24 2011–12 *Administration of Government Advertising Arrangements: March 2010 to August 2011*;

- a general softening of the framework in 2010 resulting from changes to the requirements placed on entities and revisions to the third-party certification process;
- a weakening of the framework following the suspension of the third-party certification process between November 2013 and February 2015, and the introduction of more limited terms of reference for that function after its resumption in early 2015;
- evidence of the certification process promoting a more disciplined approach by entities to demonstrating compliance with requirements, as compared to campaigns exempted from the process;
- a number of areas of non-compliance in selected campaigns, relating to: the recording of approvals; the accuracy of campaign statements; the presentation of campaign materials in an objective manner; the assessment of cost-effectiveness of media buys; and adherence to relevant procurement policies; and
- a long-term trend of increased campaign expenditure before federal elections.

1.11 The ANAO's 2012–13 report on government advertising drew attention to an emerging risk of campaign advertising not clearly meeting the enhanced expectations and arrangements established by the Australian Government from 2008, with the specific purpose (discussed above) of providing public confidence and ensuring that Government campaigns provide objective, factual and explanatory information, free from partisan promotion of government policy and political argument. The report observed that Ministers need to support arrangements so that advertising campaigns met the genuine information needs of citizens.

1.12 The ANAO's 2016–17 report on government advertising compared the Australian Government framework with arrangements in other jurisdictions. The comparison indicated that while there is a common approach in some key respects (for example, in seeking to prohibit party political content and ensure factual accuracy) a number of key differences exist. A number of jurisdictions have adopted restrictions on: Ministerial direction of entities; the subject matter of campaigns; and conducting campaigns during caretaker periods. Some frameworks also had requirements intended to avoid 'excessive' or 'extravagant' advertising.

Rationale for undertaking the audit

1.13 The rationale for undertaking this audit is to provide the Parliament with assurance as to whether the campaign advertising framework and its implementation provide public confidence in the administration of taxpayer-funded advertising, as expected when the framework was introduced a decade ago (see paragraphs 1.8–1.9). The audit has been conducted in a context where aspects of the framework are not as rigorous as arrangements applying in other jurisdictions and there has been a general weakening of the framework over time.

1.14 The Australian Parliament retains a strong interest in the framework's operation. There has been a continued focus on the accountability issues articulated by the Joint Committee of Public

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- No.54 2012–13 *Administration of Government Advertising Arrangements: August 2011 to March 2013*; and
 - No.22 2016–17 *Government Advertising: March 2013 to June 2015*.

Accounts and Audit in 2000 and the Senate Finance and Public Administration References Committee in 2005, which informed the framework's introduction in 2008.

1.15 In the course of this audit, specific requests for ANAO review of government advertising were received from five Parliamentarians¹⁵, reflecting Parliamentary and community debate of government advertising campaigns and related expenditures in the period before the 2019 federal election. The cost and purposes of government funded advertising, including the Powering Forward campaign reviewed as part of this audit, were a focus of the Parliament during the 2019–20 Budget Estimates hearings held in April 2019.

1.16 This audit continues the ANAO's coverage of the framework, to provide Parliament with: information on its development; campaign expenditures over time; and assurance as to whether entities have effectively implemented the framework and complied with the requirements of the campaign advertising guidelines.

Audit approach

Audit objective, criteria and scope

1.17 The objective of the audit is to assess the effectiveness of the Department of Finance's and selected entities' implementation of the Australian Government's campaign advertising framework.

1.18 To form a conclusion against this objective, the following high-level criteria apply:

- Does the Department of Finance effectively administer the Australian Government's campaign advertising framework?
- Were selected campaigns compliant with the Australian Government's campaign advertising framework?

1.19 The audit examined developments in the administration of the framework from the end of the period examined by the previous ANAO audit (June 2015) until April 2019. In addition, three campaigns were selected for review:

- the *Powering Forward* campaign conducted from late 2017 to April 2019, administered by the Department of the Environment and Energy (Environment);
- the *Physical Activity for Young Women* campaign conducted from early 2016 to mid-2018, administered by the Department of Health (Health); and
- the *National Child Care Plan* campaign conducted in late 2017 and mid-2018, administered by the Department of Education and Training (Education).¹⁶

15 The Auditor-General responded on 8 October 2018 to a request from Mr Pat Conroy MP dated 28 September 2018, asking that the Auditor-General conduct an audit of aspects of the Government advertising campaign: *Powering Forward*. That correspondence is available at <https://www.anao.gov.au/work/request/government-advertising-campaign-powering-forward>.

The Auditor-General also responded on 26 April 2019 to correspondence from Dr Kerryn Phelps AM, MP and three co-signatories dated 10 April 2019, requesting that the Auditor-General conduct an investigation to examine campaign advertising expenditure and related matters. That correspondence is available at <https://www.anao.gov.au/work/request/audit-advertising-expenditures-the-australian-government-phelps-bandt-sharkie-banks>.

16 The department was renamed the Department of Education following changes to the Administrative Arrangements Order on 29 May 2019.

Audit methodology

1.20 The audit methodology included:

- reviewing guidelines, advice to entities and public reporting produced by Finance;
- reviewing meeting minutes and decisions of the Independent Communications Committee, and interviewing committee members;
- reviewing entity documentation of campaign design, administration, certification and evaluation; and
- interviewing key personnel at all designated entities.

1.21 The audit was conducted in accordance with the ANAO Audit Standards at a cost to the ANAO of approximately \$461,700. The team members for this audit were Meegan Reinhard, Natalie Maras, Ashton Barrington-Knight and Michelle Page.

2. Administration of the Australian Government campaign advertising framework

Areas examined

This chapter examines the administration of the Australian Government's campaign advertising framework, including: the clarity and documentation of roles and responsibilities under the framework; the clarity of the 2014 *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* (2014 guidelines); the assistance provided to entities by the Department of Finance (Finance) and third-party compliance advisors; external reporting; and Finance's management of emerging risks affecting government advertising.

Conclusion

Finance has been largely effective in its central agency role of supporting entities, providing secretariat support to third-party reviewers, preparing the annual campaign expenditure report and advising government on emerging issues such as the management of online reputational risks. The whole-of-government framework administered by Finance continues to exhibit shortcomings. Four of the five principles in the guidelines are not mandatory and the third party compliance advisory process does not help chief executives determine that a campaign complies with the guidelines, as third party review happens early in the campaign development process. Annual expenditure reporting to Parliament is not consolidated or complete and the release of information on government approved campaign budgets is discretionary. Transparency and accountability to Parliament would be improved if all related advertising costs and GST were included in the total annual figures reported by Finance, and if approved campaign budgets were reported as soon as possible after launching a new campaign or phase.

Areas for improvement

The ANAO has made four recommendations aimed at: clarifying mandatory requirements to reduce the large measure of discretion which is a feature of the framework; strengthening the third-party compliance advisory function to enable it to review campaigns at any stage of development; improving the transparency of annual expenditure reporting; and reporting on government approved campaign budgets as soon as possible after a campaign is launched.

Are roles and responsibilities under the framework clear?

Roles and responsibilities under the framework are clear and well documented. The 2014 Guidelines specify the roles and responsibilities of the Special Minister of State, the Independent Communications Committee, responsible Ministers, entities and their chief executives. Terms of reference have been provided to the third-party reviewer (the Independent Communications Committee) and relevant Cabinet committee administrative processes have been documented by the Department of the Prime Minister and Cabinet. The Department of Finance's annual public report on *Campaign Advertising by Australian Government Departments and Agencies* documents Finance's role in the framework, the role of key stakeholders, and the framework's operation.

Responsible Minister

2.1 The Special Minister of State has largely had responsibility for the administration of the Australian Government's campaign advertising framework since 2008. The Assistant Minister for Finance was temporarily responsible for the administration of the framework from 20 December 2017 to 24 August 2018, when the Special Minister of State resumed responsibility.

2.2 Under the guidelines, the Special Minister of State can exempt campaigns from complying with the campaign advertising guidelines, as discussed from paragraph 2.24.

Service Delivery and Coordination Committee

2.3 Since July 2014, the Service Delivery and Coordination Committee of Cabinet (SDCC) has had responsibility for reviewing all campaigns which involve paid media placement and have a total campaign budget of over \$500,000 in a financial year. SDCC administrative processes include agreement to the final creative materials and media plans for campaigns. In August 2018, the SDCC's review process was expanded to include an evaluation stage after the campaign is completed, as detailed in Table 2.1. Post-campaign evaluation can contribute to the assessment of performance and is a positive addition to government review processes.

2.4 SDCC administrative processes are documented by the Department of the Prime Minister and Cabinet (PM&C). Entities bring forward campaign proposals to the SDCC, and Finance provides a brief to the SDCC for each campaign that has a submission or associated paperwork.

Table 2.1: Summary of government review and approval processes, August 2018

Stage	Process
1	<p><i>Campaign proposal</i> — The responsible minister provides a campaign proposal including an outline, aims, objectives, key messages, proposed media channels and agreed (or proposed) budget to the Special Minister of State. The submission should specify if developmental research is required to inform the campaign, and if so, a research brief and list of suppliers should be included.^a The Special Minister of State will refer the proposal to the SDCC for consideration.</p> <p>If the SDCC agrees to the campaign proceeding, the responsible entity issues briefs to research suppliers and undertakes developmental research to inform a communications strategy for the next stage of consideration.</p>
2	<p><i>Strategy</i> — The SDCC considers the communications strategy, research findings and a proposed list of suppliers for advertising, public relations, multicultural and Indigenous campaign components (if required).^a</p> <p>If there is agreement by the SDCC to proceed to the next stage, the responsible entity issues briefs to suppliers. For advertising, the research supplier tests all of the submitted advertising concepts. The entity identifies a shortlist of advertising agencies (at least two) who offer the best value for money, informed by the testing. For other suppliers the SDCC will provide decisions on the selection process.</p> <p>Entities should now initiate the process to brief the whole-of-government evaluation research supplier.^b</p>
3	<p><i>Selection of suppliers (Advertising agency)</i> — The SDCC considers creative concepts of shortlisted agencies, and the results of the concept testing, and considers providers recommended by the entities.</p> <p>When the SDCC agrees to proceed with a preferred provider, the entity proceeds to develop the preferred concept and conducts further testing of the proposed campaign materials to ensure the effectiveness of the materials.</p>

Stage	Process
4	<p><i>Advertising materials</i> — The SDCC considers the final campaign materials, research testing results, and a final media strategy and plan. The entity also provides advice on due diligence of talent (as discussed from paragraph 2.64).</p> <p>If the SDCC agrees to the final creative materials and media plan, the entity proceeds with booking media to launch the campaign.</p>
Post-campaign	<p><i>Post-Campaign Evaluation</i> — The responsible Minister provides a final evaluation to the SDCC, after all planned phases of the campaign have concluded. Evaluation research results will be presented in a consistent format by a single evaluation research supplier.^b</p> <p>Evaluations are to be submitted within eight weeks of the campaign concluding.</p>

Note a: For procurement of communication suppliers (with the exception of the whole-of-government master media agency and evaluation research supplier) responsible entities must use the Campaign Advertising Supplier Register, informed by advice from Finance.

Note b: A deed of standing offer with the whole-of-government evaluation supplier was in effect from 1 July 2018. With the exception of the Australian Electoral Commission, all non-corporate Commonwealth entities under the PGPA Act must use the single supplier to evaluate campaigns with total budgets above \$500,000 in a financial year. Finance advised the ANAO that campaigns have progressively transferred evaluation requirements to the supplier.

Source: ANAO summary of documentation from the Department of the Prime Minister and Cabinet.

Independent Communications Committee

2.5 Since early 2015, the Independent Communications Committee's role in the campaign advertising framework has been to:

- (a) provide compliance advice regarding Principles 1 to 4 of the guidelines to an entity chief executive proposing to conduct an advertising campaign where expenditure is expected to be over \$250,000;
- (b) report, as necessary, to the responsible Ministers on the operation of the guidelines, including any trends or emerging issues; and
- (c) consider and, as necessary, propose revisions to the guidelines to responsible Ministers.

2.6 The Committee members interviewed by the ANAO advised that no advice had been provided to Ministers regarding points (b) and (c) as the Committee had no concerns regarding the guidelines or their implementation.

2.7 Further discussion of the Committee's terms of reference and the level of assurance provided to chief executives by the Committee is included from paragraph 2.27.

Department of Finance

2.8 The Administrative Arrangements Order provides that the matters dealt with by Finance include the 'co-ordination of government advertising'. Finance's annual public report on *Campaign Advertising by Australian Government Departments and Agencies* documents Finance's role in the framework, the role of key stakeholders, and the framework's operation.¹⁷ Finance provides policy advice, whole-of-government coordination and assistance to entities conducting advertising activities. Finance's role includes:

¹⁷ The report for 2017–18 is available at: <https://www.finance.gov.au/sites/default/files/campaign-advertising-by-australian-government-departments-and-agencies-report-2017-18.pdf> [accessed 20 December 2018].

- briefing the SDCC of Finance’s view of proposed advertising campaigns;
- advising entities on whether their campaigns are subject to the framework, and applicable review processes and requirements;
- managing the whole-of-government contracts for media buying as part of the Central Advertising System;
- managing the whole-of-government Campaign Advertising Supplier Register (previously known as the Communications Multi-Use List);
- assisting entities with advice on research, campaign proposals, communication strategies and shortlisting communications suppliers from the whole-of-government register;
- co-ordinating the preparation and publication (from September/October) of consolidated reports to Parliament on campaign advertising expenditure for each financial year;
- advising the Special Minister of State on the framework and associated processes; and
- providing secretariat support to the Independent Communications Committee.

2.9 Finance also issues the campaign advertising guidelines, which are a policy of the Australian Government — placing an obligation on the accountable authority to govern the entity in a way that is ‘not inconsistent’ with the policy. In contrast, the Commonwealth Procurement Rules and Commonwealth Grants Rules and Guidelines are statutory instruments requiring strict compliance with mandated requirements.¹⁸ Effective from 1 July 2018, Finance appointed a single evaluation supplier to benchmark, track and evaluate advertising campaigns that are subject to the campaign advertising guidelines. The standardised approach is intended to allow outcomes and results to be more readily compared across campaigns, and for reduced evaluation costs across government. Finance has responsibility for managing the two-year deed.

2.11 The selected entities in this audit were positive about Finance’s support and the timeliness of Finance advice. The Independent Communications Committee advised the ANAO that the secretariat support it receives from Finance was strong and proactive.

Entities conducting government advertising campaigns

2.12 The role of non-Corporate Commonwealth entities that conduct information and advertising campaigns, and their chief executives, is set out in the guidelines. Under the framework entities must comply with the guidelines and relevant government policies for all campaigns over \$250,000. Prior to a campaign’s release into the market, the entity chief executive is required to certify compliance with the guidelines. The chief executive is also required to report on annual campaign advertising expenditure to Finance, and ensure details of advertising campaigns are published in entity annual reports.

2.13 A list of advertising campaigns greater than \$250,000 in the market from July 2018 to April 2019 is included in Appendix 2.

18 The guidelines are a policy of the Australian Government for the purposes of section 21 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Section 21 in effect provides that an accountable authority of a non-corporate Commonwealth entity must govern the entity in a way that promotes the proper use and management of resources for which the authority is responsible, in a way that is not inconsistent with the policies of the Australian Government. The guidelines are not a statutory instrument issued under the PGPA Act, like the Commonwealth Procurement Rules (made under section 105B) and the Commonwealth Grants Rules and Guidelines (made under section 105C).

Are the campaign advertising guidelines clear?

Four of the five ‘information and advertising campaign principles’ are not mandatory. This has been the case since 2008, notwithstanding previous ANAO commentary and an agreed audit recommendation to clarify which parts of the guidelines are mandatory. Failure to strengthen the guidelines indicates that retaining flexibility and discretion in the framework’s operation is valued over certainty and clarity of expectations.

2.14 The Australian Government’s 2014 campaign advertising guidelines state that:

Non-corporate Commonwealth entities (entities) under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) must comply with these guidelines.¹⁹

2.15 The five ‘information and advertising campaign principles’ in the 2014 guidelines are:

Principle 1: Campaigns should be relevant to government responsibilities.

Principle 2: Campaigns should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign.

Principle 3: Campaigns should be objective and not directed at promoting party political interests.

Principle 4: Campaigns should be justified and undertaken in an efficient, effective and relevant manner.

Principle 5: Campaigns must comply with legal requirements and procurement policies and procedures.²⁰

2.16 Of these five principles, only Principle 5 is mandatory.²¹ The four remaining principles state what entities ‘should’ do and are not mandatory. This has been the case since the introduction of the guidelines in 2008.

2.17 The ANAO recommended in 2012 that Finance clarify which parts of the 2010 guidelines were mandatory.²² Finance agreed to the recommendation, and advised that the clarity and interpretation of the guidelines would be examined at its next review due in 2012. However, the 2010 guidelines were not amended to address this issue and formed the basis of the 2014 guidelines.

2.18 Further, the 2015 *Independent Review of Whole-of-Government Internal Regulation* recommended that Finance improve clarity and consistency in language used in regulatory and guidance documents.²³ Finance released a guide in late 2015 advising that the word ‘should’ is best avoided in such documents, as it has been incorrectly interpreted to imply mandatory

19 Department of Finance, *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, December 2014, p. 3, paragraph 3.

20 *ibid*, pp. 6–8.

21 Principle 5 reflects pre-existing legal requirements which entity chief executives are required to comply with in any case, irrespective of the guidelines.

22 Auditor-General Report No.24 2011–12 *Administration of Government Advertising Arrangements: March 2010 to August 2011*, p. 67.

23 Belcher, B. *Independent Review of Whole-of-Government Internal Regulation*, Volume 1, Department of Finance, 2015, p. 17 available from <https://www.finance.gov.au/publications/reducingredtape/> [accessed on 11 February 2019].

requirements, even where the use of the term has been defined in the document as meaning good practice and not mandatory.²⁴ A subsequent (2016) ANAO report observed that:

This advice [by Finance] is in contrast with the advice on government advertising, as the word ‘should’ is used extensively throughout the current advertising guidelines. By failing to address the recommendation, there remains a lack of clarity around which parts of the guidelines are mandatory.²⁵

2.19 As at June 2019 Finance’s website page for the current (2014) guidelines stated that:

Within the Guidelines, where the word ‘must’ is used, it signals that there is a mandatory requirement. Where the phrase ‘must not’ is used, it signals that certain actions or practices are not to be undertaken by entities or officials. Actions or practices that relate to the sound administration of campaigns in order to demonstrate compliance with the Guidelines are denoted by the word ‘should’.²⁶

2.20 The wording of the guidelines introduces discretion in their application, and there is a misalignment with the Australian Government’s statement, when releasing the current guidelines in December 2014, that:

The principles **require** that campaigns be:

- relevant to government responsibilities;
- presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign;
- objective and not directed at promoting party political interests;
- justified and undertaken in an efficient, effective and relevant manner; and
- compliant with the legal requirements and procurement policies and procedures.²⁷

2.21 Successive ANAO reports have drawn this lack of clarity to Finance’s attention since 2012. The guidelines have not been strengthened, indicating that maintaining flexibility and discretion in the framework’s operation is valued over certainty and clarity of expectations. The fundamental purpose of the guidelines — which is to give the public and the Parliament confidence in the framework’s administration — can be strengthened by mandating all five ‘information and advertising campaign principles’. One option, captured in recommendation 1 below, is to revise the current guidelines. A further option is to make a campaign advertising Rule of the sort applying to Commonwealth procurement and grants administration.²⁸ Legislative options have also been canvassed over time.

24 Finance, *Reducing red tape by improving clarity and usefulness of regulation and guidance materials*, 6 November 2015, pp. 1–2.

25 Auditor General Report No.22 2016–17 *Government Advertising: March 2013 to June 2015*, p. 30.

26 Available at: <https://www.finance.gov.au/advertising/campaign-advertising/guidelines/> [accessed 4 June 2019].

27 Senator the Hon Scott Ryan, Special Minister of State, Media Release 13/14, ‘Oversight of Information and Advertising Campaigns by Australian Government Departments and Agencies’, 23 December 2014. Emphasis added by the ANAO.

28 See paragraph 2.9 and footnote 18 of this audit report.

Recommendation no.1

2.22 The *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities* be strengthened to ensure that:

- (a) campaigns *must* be relevant to government responsibilities (Principle 1);
- (b) campaigns *must* be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign (Principle 2);
- (c) campaigns *must* be objective and not directed at promoting party political interests (Principle 3); and
- (d) campaigns *must* be justified and undertaken in an efficient, effective and relevant manner (Principle 4).

Department of Finance response: *Noted.*

2.23 *Recommendations 1, 2, 4 and 6 relate to policies that underpin the Government's campaign advertising framework. Finance will brief the Government on the ANAO's findings and recommendations.*

Exemptions

2.24 The framework provides for formal exemptions in some circumstances:

The Special Minister of State can exempt a campaign from compliance with these Guidelines on the basis of a national emergency, extreme urgency or other compelling reason. Where an exemption is approved, the Independent Communications Committee will be informed of the exemption, and the decision will be formally recorded and reported to the Parliament.²⁹

2.25 There have been five exemptions since principles-based guidelines were introduced in 2008.³⁰ The Australian Marriage Law Postal Survey campaign, undertaken by the Australian Bureau of Statistics for a reported cost of \$22.9 million (including GST), was the first campaign exempted since 2014. It was exempted in August 2017 under the extreme urgency provision.³¹

2.26 The Special Minister of State's approval indicated that the campaign was still required to comply with the underlying principles of the guidelines and the applicable whole-of-government procurement processes, but would not be reviewed by the Independent Communications Committee or the SDCC. This reflects the approach adopted for previous exemptions.

29 Department of Finance, *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*, Finance, 2014, p. 3.

30 These exemptions have been reported on in previous audit reports in this series.

31 The exemption was granted on 17 August 2017. The Minister reported the exemption to Parliament as required by the guidelines. The statement advised that:

The exemption is on the basis of extreme urgency, and the need to ensure that the Australian public can be informed about the conduct of the statistical collection, and ensure that all eligible Australians are aware of how to participate.

Survey participation will be based on a list of all persons enrolled on the Commonwealth Electoral Roll who are eligible to participate in a Federal Election by the end of 24 August 2017, with the mailout to eligible persons commencing on 12 September 2017.

Does the third-party review process provide effective assistance to decision-makers?

The third-party review process undertaken by the Independent Communications Committee does not provide a high level of confidence to accountable authorities — and by extension the Parliament and community — regarding a campaign's compliance with the guidelines. The framework does not enable review later in a campaign's development and the Committee's advice is limited to whether a campaign is 'capable' of compliance, not whether it is compliant.

A previous ANAO recommendation to strengthen the third-party compliance advisory function, by enabling review at any stage of a campaign's development, has not been taken up by government. Finance's two Ministerial submissions on the ANAO recommendation did not demonstrate good practice, with the first recommending that the Special Minister of State note the recommendation, and the second recommending what the department understood to be the Minister's preferred approach without providing considered options.

2.27 The roles of the Independent Communications Committee are unchanged since the last ANAO report on government advertising. As noted in paragraph 2.5, one of the Committee's roles is to provide compliance advice against Principles 1 to 4 of the guidelines for campaigns with expenditure expected to be over \$250,000. The Committee is not intended to be a decision-maker or approver, and its compliance advice neither enables nor prevents a campaign from proceeding. The Committee's review takes place before the SDCC's stage 2 review (outlined in Table 2.1), or the development of creative materials. Entities are expected to apply feedback from the Committee during the development of the campaign.

2.28 Entities are expected to provide the following key documents for the Committee's review:

- developmental research or other evidence used to inform the campaign;
- the campaign communication strategy;
- the draft media strategy and indicative media plan; and
- the entity's statement against Principles 1–4 of the guidelines.

2.29 The Committee held 62 meetings between July 2015 and December 2018, involving 114 discussions about 93 individual campaign phases. The Committee's meeting minutes include several concerns that were raised repeatedly by the Committee, including:

- the proposed timing of campaigns;
- the legislative, policy and budget underpinnings of the subject matter (Principle 1);
- the accuracy of the data to be presented in the campaign and the chosen target audiences (Principle 2);
- the need to take special care to ensure that campaigns are seen as objective and not directed at promoting political interests (Principle 3); and
- the likely effectiveness of proposed campaigns (Principle 4).

2.30 The Committee provides a written report to the entity chief executive advising only on whether a campaign is '**capable** of complying with Principles 1 to 4 of the Guidelines' [ANAO emphasis added]. All 92 Committee reports, published on Finance's website between July 2015 and 30 April 2019, adopted this approach.

2.31 The Committee indicated that 73 per cent of campaign phases it reviewed from July 2015 to December 2018 were capable of complying with the guidelines on first review by the Committee.³² While the Committee does not have executive authority to prevent a campaign from proceeding, campaigns have been returned to the Committee for further advice on compliance.

2.32 In early 2015, the Committee advised Finance that there are:

limitations to providing compliance advice, particularly in relation to Principles 2 and 4, given the early point in time that they are reviewing campaigns, when media strategies and materials are still in development, and without reviewing campaign advertisements.³³

2.33 In prior audits of government advertising arrangements, the ANAO described that the previous Independent Communications Committee (which operated from 2010 to 2013) had: reviewed campaigns at multiple stages; considered final campaign materials; and formed a view and advised of a campaign's compliance with Principles 1 to 4. In contrast, the Committee's current role limits the value of its compliance advice because the Committee never reviews a campaign's creative material. The Committee's early review of campaigns results in the provision of more limited advice on whether a campaign is 'capable' of compliance, not whether it is compliant.

Previous ANAO recommendation

2.34 In October 2016 the ANAO recommended amending the terms of reference for the Committee to allow for the review of advertising campaigns at any stage of development.³⁴ Finance noted the recommendation and stated that the terms of reference set for the Committee was a matter for government.

2.35 Finance raised the ANAO recommendation in discussions with the Special Minister of State in November 2016. The Minister indicated a preference for formal briefing from Finance and the department subsequently:

- Recommended (in writing in December 2016) that the Special Minister of State note the ANAO's suggestion that the Committee's terms of reference be amended. Finance did not express a preferred option or recommend an approach, which was poor practice. The Special Minister of State did not respond to this submission.
- Provided a revised submission to the Special Minister of State in February 2017 recommending no change to the Committee's terms of reference. The submission noted that the Minister's office had indicated a preference that the previous terms of reference continue unchanged. Submitting a brief that simply recommends what is understood to be a Minister's preferred approach without providing considered options is also poor practice. The Special Minister of State agreed in February 2017 that the terms of reference

32 A further 10 per cent of first time campaigns or phases were determined to be capable of complying with the guidelines if amendments were made to supporting documents, or subsequent advice was provided that funding was secured or legislation had passed. For the remaining 17 per cent of first time campaigns, the Committee requested substantial revision to the supporting documents or further development by the entity.

33 Finance's meeting minutes of Independent Communications Committee meeting number 4 from April 2015, approved by the Committee Chair in May 2015.

34 Auditor-General Report No.22 2016–17 *Government Advertising: March 2013 to June 2015*, p. 28.

remain unchanged, in the context of considering the reappointment of Committee members for two years.

2.36 In February 2019 the Special Minister of State approved a further, one year extension for Committee members, with the same terms of reference and remuneration conditions. The appointments are due to expire on 1 March 2020.

2.37 The provision of third-party compliance advice has been a feature of the framework since its introduction in 2008. It is intended to provide assistance to the responsible entity chief executive and can provide confidence to the Parliament on the framework's administration.³⁵ The function was undertaken by the Auditor-General until 2010 and subsequently by a government-appointed Independent Communications Committee. There has been a steady weakening of this aspect of the framework over time, resulting in the provision of advice in 2015 from the Independent Communications Committee about limitations in its terms of reference, and an ANAO recommendation in 2016 that was not implemented. One of the primary purposes of the third-party compliance advisory function — giving the public and the Parliament confidence in the framework's administration — is currently not being met, and the framework would be strengthened by enabling that function to review campaigns at any stage of development.

Recommendation no.2

2.38 The Australian Government amend the terms of reference for the third-party compliance advisory function (currently undertaken by the Independent Communications Committee) to enable it to review and advise on:

- (a) campaigns at any stage of development; and
- (b) final advertising materials, including creative materials and the media plan.

Department of Finance response: *Noted.*

2.39 *Recommendations 1, 2, 4 and 6 relate to policies that underpin the Government's campaign advertising framework. Finance will brief the Government on the ANAO's findings and recommendations.*

How complete is external reporting of campaign advertising?

Annual expenditure reporting to Parliament is not consolidated or complete and can be enhanced to provide additional confidence to Parliament and the community on the use of taxpayers' money. Consolidated total expenditure figures in Finance's annual reports to Parliament have only captured 62 to 70 per cent of total expenditure as they have not included the work of third-party communication suppliers or GST. Finance would enhance the transparency of its annual public reporting by providing consolidated information on all campaign advertising expenditures and by separating the Australian Electoral Commission's advertising spend relating to general elections from the overall media placement spend.

³⁵ Confidence-building is the principal purpose of publishing the Committee's advice to chief executives on entity websites.

Transparency and accountability to the Parliament would be further enhanced by reporting the approved government budget for a campaign, or a new phase of an existing campaign, as soon as possible after launching a new campaign or phase.

2.40 The Australian Parliament has required the executive government to table information on taxpayer funded advertising since at least 2003. Among the procedural orders and resolutions of the Senate of continuing effect is order for documents No. 14, relating to 'Agency advertising and public information projects'.³⁶ The order was passed on 29 October 2003 and requires that Ministers table, in both houses and within five sitting days of a project's approval, a statement in respect of 'each advertising or public information project undertaken by each agency where the cost of the project is estimated or contracted to be \$100 000 or more'. The Ministerial statement is required to indicate, among other things: the purpose and nature of the project; the intended recipients of the information to be communicated by the project; who authorised the project; and the estimated or contracted cost of the project.

2.41 In its 2005 report on *Government advertising and accountability*, the Senate Finance and Public Administration References Committee commented that:

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.³⁷

2.42 The Committee further commented that a principal means of addressing these concerns was to implement 'an adequate system for disclosing the quantum of advertising expenditure and, equally importantly, for disclosing the public policy justification of major advertising campaigns'.³⁸ It recommended 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'.³⁹ The government agreed in principle to the recommendations in 2011, six years after the committee reported.

36 Senate Procedural Order of Continuing Effect 14, 29 October 2003 J.2641, appears in a section of the Parliamentary website which states that 'The following procedural orders and resolutions of the Senate are those which were clearly intended to be of continuing effect, and are significant in that they relate to the manner in which the Senate conducts its legislative and inquiry functions and exercises and upholds its constitutional powers.' See https://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Senate_chamber_documents/standingorders/d00 [accessed 5 June 2019]. The ANAO has not reviewed compliance with the order.

37 Senate Finance and Public Administration References Committee, *Government advertising and accountability*, December 2005, p. xvii.

38 *ibid.*, p. xvii.

39 *ibid.*, p. xix.

Public reporting

2.43 The 2014 campaign advertising guidelines state that the ‘Government will provide reports to the Parliament that detail expenditure on all advertising campaigns with expenditure in excess of \$250,000 commissioned by PGPA Act agencies’. To satisfy this requirement, Finance has published annual reports since 2008–09 detailing the advertising campaigns with expenditure greater than \$250,000, based on data sourced from the Central Advertising System⁴⁰ and entity self-reporting.⁴¹ Annual reports are usually published by the end of the calendar year for the previous financial year.⁴²

2.44 Finance’s annual reports on advertising campaigns include the government’s total expenditure on media placements for the financial year, excluding GST.⁴³ Expenditure on associated campaign costs are not consolidated and reported in the total yearly spend. These associated costs are reported separately for each campaign, in the annual report, under the category ‘consultants, services and other costs’ and do not include GST.⁴⁴ Expenditure considered to be ‘consultants, services and other costs’ includes the cost of:

- advertising agencies;
- market research;
- public relations;
- communications for Aboriginal and Torres Strait Islanders and culturally and linguistically diverse (CALD) Australians;
- printed material and direct mail; and
- other (such as sponsorships, merchandising and events).

2.45 From 2010–11 to 2017–18, the cost of ‘consultants, services and other costs’ and GST ranged from 30 to 38 per cent of total annual campaign expenditure. Finance’s reporting on the Australian Government’s advertising campaigns would be more transparent if these associated costs and the total amount of GST paid were incorporated into the total expenditure amount to reflect the true cost of the campaigns.

40 The Central Advertising System is operated by the Department of Finance. All campaign and non-campaign advertising by non-corporate Commonwealth entities under the PGPA Act must be placed through the Central Advertising System. This approach is intended to optimise media discounts through negotiated media rates with the whole-of-government master media agency.

Three advertising campaigns by the Department of Health were not placed through the Central Advertising System, due to circumstances described in Appendix 3. The 2017–18 expenditure for these campaigns (excluding GST) was mentioned in the 2017–18 advertising report as ‘other advertising activity’, but was not included in the total expenditure figures, which are sourced solely from the Central Advertising System. As a result, the expenditure for the three campaigns is not reflected in either Figure 2.1 or Figure 2.2 of this report.

41 As discussed in paragraph 3.12 of this audit report, the annual report can be affected where an entity has not tracked its expenditure contemporaneously. Paragraph 4.28 of this report further discusses an instance where Finance’s annual reporting was affected by an entity’s misunderstanding of requirements.

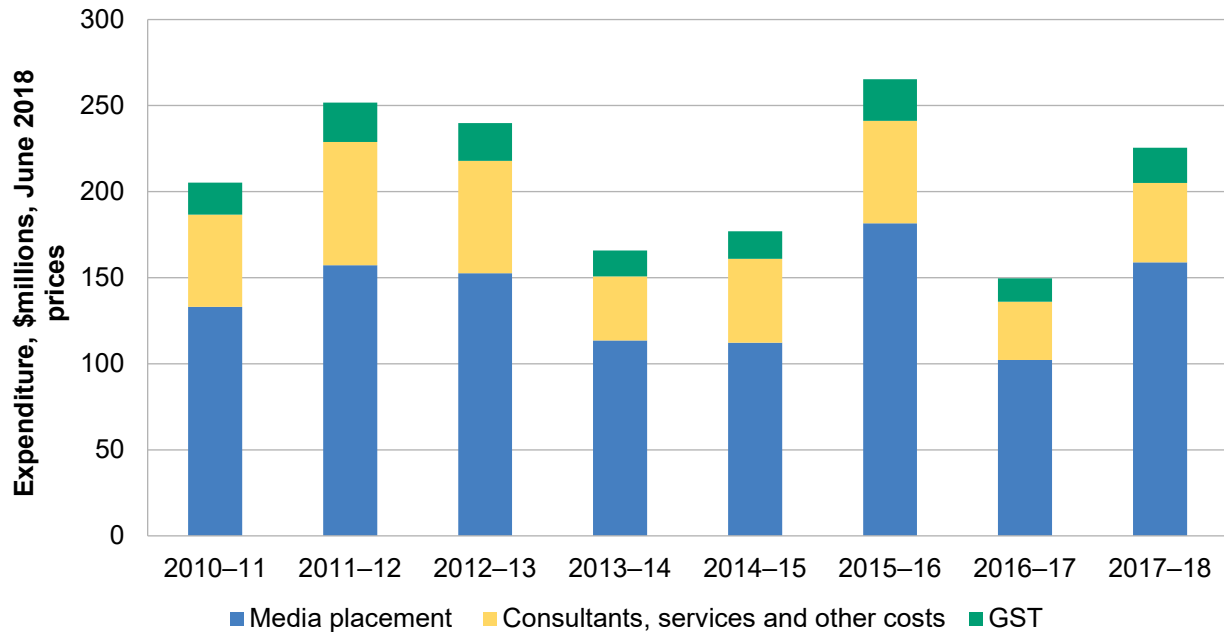
42 The Minister for Finance and the Public Service announced the launch of the government transparency website on 13 March 2019. There would also be merit in Finance reporting on campaign advertising expenditure using this portal.

43 GST, or the goods and services tax of 10 per cent, was introduced in Australia on 1 July 2000.

44 The ten communications suppliers paid the most for work on campaigns conducted from 2015–16 to 2017–18 are included in Appendix 4.

2.46 Campaign advertising expenditure from 2010–11 to 2017–18 for media placement, ‘consultants, services and other costs’ plus GST, is shown in Figure 2.1. The ANAO has calculated that over \$1.68 billion (in June 2018 prices) was spent on these components of campaign advertising over eight financial years, averaging \$210 million per financial year adjusted for inflation. These figures do not include departmental costs incurred in the development of campaigns or the cost of the Independent Communications Committee.⁴⁵

Figure 2.1: Campaign advertising expenditure 2010–11 to 2017–18, June 2018 prices



Note: Data for 2018–19 was not available at the time of the audit, and should be published by Finance in late 2019.

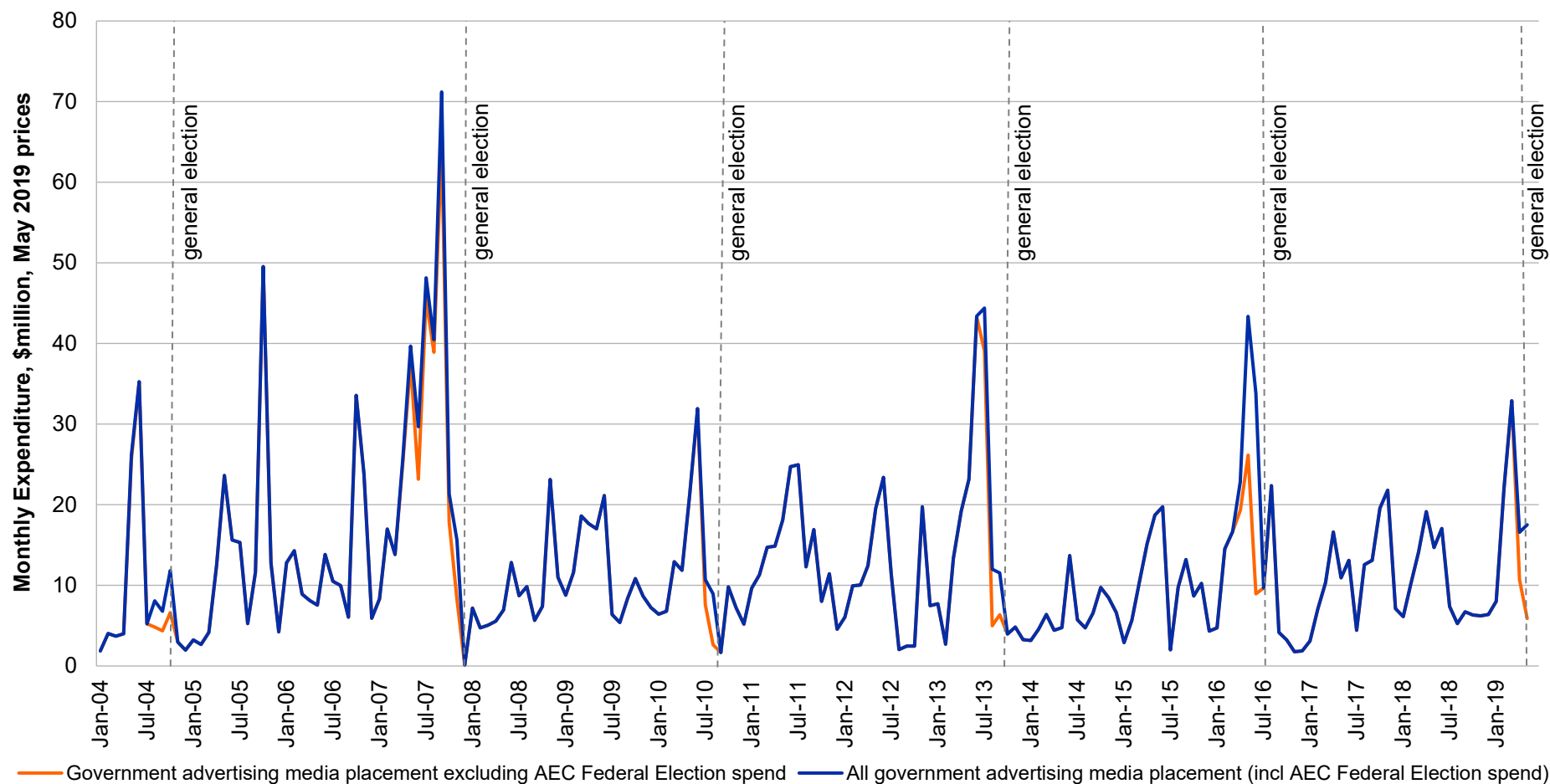
Source: ANAO analysis of Finance’s campaign advertising reports based on Central Advertising System data, available from <https://www.finance.gov.au/advertising/campaign-advertising-reports.html> [accessed 21 December 2018], using Australian Bureau of Statistics Catalogue 6401.0 to adjust for changes in the consumer price index.

2.47 Finance’s annual reporting includes the government’s total expenditure on media placement for each financial year and six-month period. Figure 2.2 shows the monthly media expenditure from January 2004 to May 2019. The analysis indicates that campaign media expenditure increased in the lead up to the last six federal elections.

2.48 To improve the transparency of reporting on government advertising media placement, Figure 2.2 illustrates both: overall media expenditure; and overall media expenditure excluding Australian Electoral Commission media placement prior to federal elections. Exclusion of the Commission’s pre-federal election media placement demonstrates that the peak in media expenditure is not fully attributable to the Commission’s advertising about general election processes. For example, in the three months prior to the 2013 general election, the Commission accounted for \$15.8 million of the \$61.3 million total media expenditure (or 25.8 per cent). During the 2016 general election, when the Commission was advertising to inform the public about changes to the Senate voting system, it spent \$43.4 million of the \$95.0 million total media expenditure (45.7 per cent) in the three months prior to the election.

⁴⁵ Payments to the three members of the Independent Communications Committee totalled \$162,000 from 2015–16 to 2017–18. These costs were absorbed by Finance.

Figure 2.2: Monthly campaign expenditure on media placement (excluding GST), January 2004 to May 2019, May 2019 prices



Notes: Data from 2004 to June 2014 is the campaign advertising media expenditure by *Financial Management and Accountability Act 1997* (FMA Act) agencies. Data since July 2014 relates to expenditure by non-corporate Commonwealth entities under the PGPA Act.

Figures do not include GST.

Source: ANAO analysis of data provided from the Central Advertising System using Australian Bureau of Statistics Catalogue 6401.0 to adjust for changes in the consumer price index.

2.49 As discussed, Figure 2.2 illustrates that campaign media expenditure increased in the lead up to the last six federal elections. Expenditure on media placement in the three months prior to each federal election since 2004 (excluding Australian Electoral Commission advertising) is shown in Table 2.2.

Table 2.2: Media placement figures in millions (excluding Australian Electoral Commission campaigns and GST) for the six months prior to a federal election since 2004, adjusted to February 2019 prices

Months prior to the federal election								
Federal election date	6	5	4	3	2	1	Election month	Total
9 October 2004	3.4	25.6	35.2	5.2	4.8	4.4	6.6	85.2
24 November 2007	37.5	23.2	45.5	38.9	64.7	17.8	8.3	235.9
21 August 2010	6.8	12.9	11.9	21.3	31.7	7.6	2.6	94.8
7 September 2013	13.4	19.2	23.2	43.9	39.1	5.0	6.4	150.2
2 July 2016	4.8	14.5	16.7	19.3	26.2	8.9	9.7	100.1
18 May 2019	6.2	6.4	8.0	22.0	32.9	10.7	5.9	92.1

Notes: Data from 2004 to 2014 is the campaign advertising media expenditure by *Financial Management and Accountability Act 1997* (FMA Act) agencies. Data since 2014 relates to expenditure by non-corporate Commonwealth entities under the PGPA Act.

Figures do not include GST.

The grey-shaded month highlights the month with the greatest media placement spend, in the six months prior to each federal election.

Source: ANAO analysis of data provided from the Central Advertising System using Australian Bureau of Statistics Catalogue 6401.0 to adjust for changes in the consumer price index.

Previous ANAO recommendation

2.50 To improve the transparency of Australian Government expenditure on campaign advertising, the ANAO recommended in 2013 that the Department of Finance and Deregulation report the total campaign advertising expenditure, including expenditure related to ‘consultants, services and other costs’ and GST, in its reports on *Campaign Advertising by Australian Government Departments and Agencies*.⁴⁶ Finance did not agree to the recommendation. Finance advised that the current reporting format allows for historical comparisons (from before GST was introduced) and that the consultants’ costs can be derived from individual campaign reports.

2.51 The primary purpose of transparent and consolidated public reporting on government campaigns and related expenditures is to give the public and the Parliament confidence in the framework’s administration. Finance would improve the transparency of its reporting to Parliament and the community by reporting on all expenditure in a consolidated way. Finance could further improve the transparency of its reporting on expenditure by separating the Australian Electoral Commission’s advertising spend relating to general elections from the overall media placement spend.

⁴⁶ Auditor General Report No.54 2012–13 *Administration of Government Advertising Arrangements: August 2011 to March 2013*, p. 35.

Recommendation no.3

2.52 The Department of Finance improve the transparency of its annual reporting on campaign expenditure by:

- (a) reporting a total expenditure figure for all campaigns that consolidates media spend, 'consultants, services and other costs', and GST; and
- (b) separating the Australian Electoral Commission's advertising spend relating to general elections from the overall media placement spend.

Department of Finance response: *Partially agreed.*

2.53 *Finance is committed to the ongoing transparency of campaign expenditure reporting. Noting that media spend, consultants, services and other input costs are already itemised for all campaigns above the value of \$250,000 in its reporting, Finance will seek to improve the presentation of this information at an aggregate level in future reports.*

2.54 *Finance does not accept the ANAO's analysis that annual campaign expenditure reporting to Parliament has only captured a proportion of total expenditure.^a Media spend, consultants, services and other input costs are fully itemised in its annual campaign advertising reports for each campaign.*

2.55 *Finance notes the ANAO's suggestion to include the Goods and Services Tax (GST) component in reporting, but considers it appropriate to continue the longstanding practice of reporting on campaign expenditure exclusive of GST. This provides clear alignment to Budget measures, financial statements and other Budget documents (which also exclude GST).*

2.56 *In relation to part (b) of the Recommendation, Finance notes that its annual reporting on campaign expenditure presents the total costs of all campaigns conducted by individual non-corporate Commonwealth entities, including the Australian Electoral Commission (AEC). Finance will consider whether the presentation of information about the costs of the AEC's expenditure on electoral campaigns could be improved.*

Note a: ANAO comment — As discussed in paragraphs 2.44 and 2.45, Finance's annual report on campaign expenditure includes the total media placement spend for the financial year, but the report does not consolidate all campaign advertising costs, which would improve transparency.

2.57 As noted in paragraph 1.15 of this audit report, the approved cost and purposes of government funded advertising campaigns were a focus of the Parliament during the 2019–20 Budget Estimates hearings held in April 2019. Public transparency and accountability to the Parliament would be further enhanced by announcing the government approved budget for a campaign, or a new phase of an existing campaign, as soon as possible after launching a new campaign or phase. One approach is to include the approved budget in the chief executive's certification, which the guidelines require to be placed on an entity's website when a campaign or phase is launched.

Recommendation no.4

2.58 The Australian Government require entities to report on the government approved budget for any new campaign or any new phase of an existing campaign, as soon as possible after launching the campaign or new phase.

Department of Finance response: *Noted.*

2.59 *Recommendations 1, 2, 4 and 6 relate to policies that underpin the Government's campaign advertising framework. Finance will brief the Government on the ANAO's findings and recommendations.*

Has Finance addressed emerging risks in a timely way?

Finance has proactively responded to various brand safety risks facing Australian Government advertising. Finance also issued guidance to entities regarding talent management and the use of social influencers, to further support entities' management of reputational risk. The Australian Government introduced restrictions on the use of paid social media influencer strategies in campaign advertising and/or related public relations activities in August 2018.

2.60 As the entity responsible for the government's campaign advertising policy, Finance has had to respond to a number of risks that have emerged in the media and technology environment.

Brand Safety

2.61 There were two identified instances, in 2016 and early 2017, where the Australian Government brand was considered to be at risk due to government advertising appearing alongside inappropriate content. Finance has defined inappropriate content as including, but not limited to: content featuring or promoting smoking; the use of alcohol or illegal drugs; gambling; hate speech; illegal downloading; offensive language; pornography; violence; or any other illegal activities.

2.62 In late March 2017, on the advice of the master media agency and consistent with the approach of many large corporations and other governments, the Australian Government suspended all campaign advertising by non-corporate Commonwealth entities from appearing on the YouTube platform.⁴⁷ In July 2017, Finance provided guidance to government entities titled '*Direction: Brand Safety for Advertising by the Australian Government*', which detailed measures to protect the Australian Government brand.⁴⁸ In August 2018, the blanket YouTube suspension was lifted, with entities to only use the top five per cent of YouTube channels.

2.63 In February 2019, the master media agency advised Finance of emerging brand safety risks relating to the comments section of YouTube. Finance decided to pause advertising on YouTube with immediate effect (an exception was granted for the Department of Home Affairs' Offshore

47 In June 2017, the Government agreed to exempt the Department of Immigration and Border Protection's Offshore Anti-People Smuggling advertising campaign from the YouTube platform suspension. The Department of Immigration and Border Protection had raised concerns about the YouTube suspension affecting the performance and reach of the offshore border protection campaign.

48 Measures included suspending use of the YouTube platform, reviews of blacklisted and whitelisted websites by the master media agency, automatic review of websites against brand safety risks, use of Google default settings, and other controls for Facebook, Instagram and Twitter platforms.

Anti-People Smuggling advertising campaign). In March 2019, the Chair of the SDCC agreed to the suspension continuing until such time as a resolution could be presented to the SDCC that was supported by Finance and the master media agency. Finance advised entities of the Government's decision to suspend advertising on the YouTube platform in late March 2019.

Talent Due Diligence

2.64 Advertising campaigns may use a range of talent including paid actors, public figures or celebrities, or members of the public. In early 2018 Finance was tasked with developing guidance for entities regarding due diligence checking of campaign talent, as there were concerns that entities were not completing sufficiently comprehensive checks. In May 2018 the Government endorsed Finance's guidance for entities on 'Use of talent in Australian Government Campaigns', and agreed that all entities subject to the campaign advertising guidelines would complete a talent due diligence checklist and provide it to the SDCC before campaign materials were finalised. Finance prepared a talent checklist template for entities to complete for the SDCC.

Social Media Influencers

2.65 In the government advertising context, paid social media influencer arrangements cover any circumstance where a person is paid or otherwise remunerated to promote a government policy, measure, program or initiative through a social media platform. Payment may be direct through a media agency, or indirect through another supplier (such as a public relations agency).

2.66 In response to negative media attention in July 2018, concerning the use of social media influencers by the Departments of Health and Defence, the government agreed in August 2018 that social media influencers are not to be used in government advertising campaigns unless a compelling case and risk mitigation strategy is provided to the SDCC.

2.67 In mid-August 2018, Finance wrote to senior communication officers within Australian Government entities advising them of the government's decision that 'with immediate effect, paid social media influencer strategies are not to be used in campaign advertising and/or related public relations activities', irrespective of the total value of the campaign activity. Finance requested that this advice be promulgated to communications staff within each portfolio. Finance also requested that entities:

- immediately cease the use of social media influencers;
- confirm to Finance that no new arrangements had been, or would be, entered into with paid social media influencers; and
- inform Finance if their entity had previously used social media influencers.

3. Powering Forward campaign

Areas examined

This chapter provides an overview of the Powering Forward campaign and examines the Department of the Environment and Energy's (Environment's) processes for review and certification, compliance with the guidelines, and evaluation of the campaign's effectiveness.

Conclusion

Environment undertook most of the required review and certification processes for each phase of the Powering Forward campaign. The campaign was relevant to Australian government responsibilities but the department's verification of campaign statements, which presented information as fact, was not documented before the campaign first launched or before the launch of subsequent phases. The ANAO is not in a position to provide assurance on whether all the reviewed campaign statements were accurate and verifiable, as the department was not able to demonstrate a clear line of sight between those statements and source material provided for review. Procurement was not consistent with all requirements until Phase 5, and Environment did not create a clear audit trail of approvals and decisions about procurement, as required by the guidelines. Benchmarking, monitoring and evaluation was conducted throughout the campaign. While evaluations called into doubt the campaign's effectiveness, Environment continued the campaign.

Areas for improvement

The ANAO has made three recommendations aimed at: documenting verification of campaign statements presented as fact; reviewing procurement and commitment processes for campaign-related services; and assessing whether continuing a campaign represents a proper use of taxpayer resources when evaluations indicate that a campaign has no clear impact on public awareness and behaviour.

Campaign overview

3.1 On 7 October 2016 Australian energy ministers commissioned a review of the National Electricity Market led by Dr Alan Finkel AO, Australia's Chief Scientist.⁴⁹ The report was released in June 2017.⁵⁰

3.2 In this context, the Commonwealth Minister for the Environment and Energy initially determined that a campaign was needed to raise awareness of the importance of energy security, and provide information to assist business and households to reduce energy costs. In May 2017, the Minister intended the launch of the campaign to coincide with the release of the independent report. However, the proposed timeframe for developing the campaign presented practical challenges because Government policy was still being finalised. Consequently, the campaign launched later than was originally envisaged.

49 The National Electricity Market is a wholesale commodity exchange for electricity that commenced operation in 1998. The market interconnects five jurisdictions: New South Wales (including the Australian Capital Territory), Queensland, South Australia, Tasmania and Victoria. The Northern Territory and Western Australia are not part of the National Electricity Market.

50 Dr Finkel presented the public report, known as the *Independent Review into the Future Security of the National Electricity Market*, on 9 June 2017.

3.3 In the 2017–18 Federal Budget, the Australian Government announced the Energy for the Future Package. The package was intended to ‘address immediate challenges’ and ‘maintain the security and affordability of the energy market’ in the longer term.

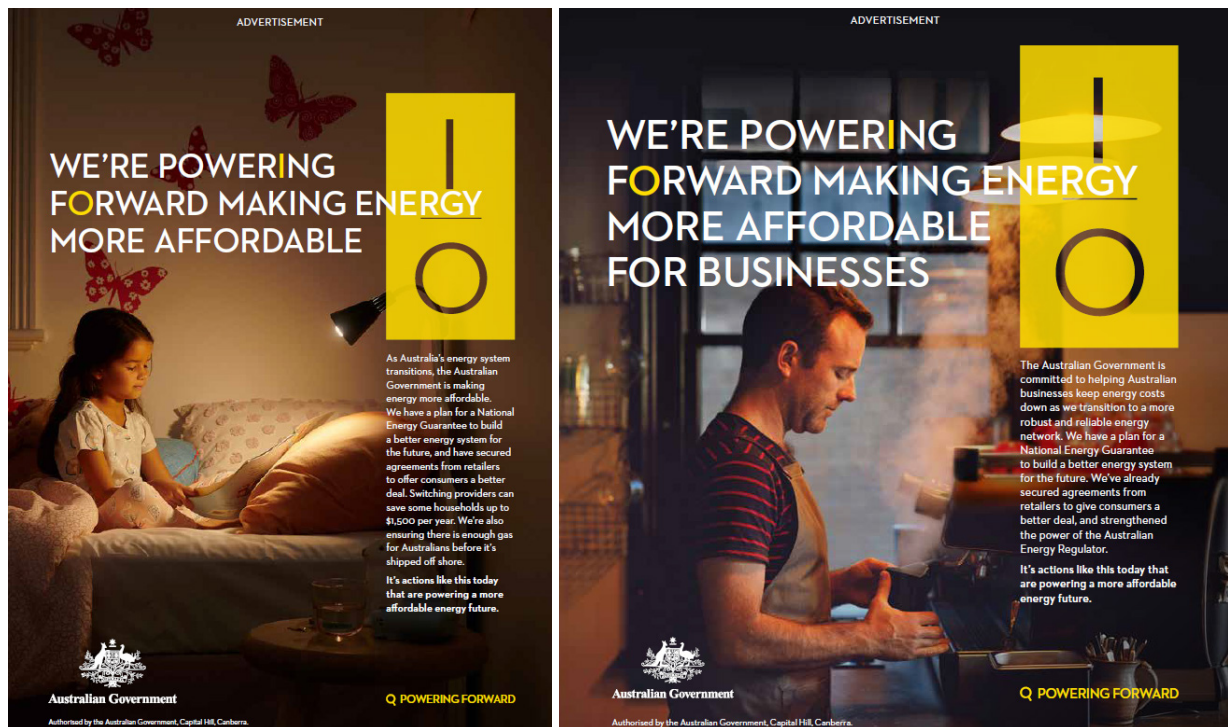
3.4 In the 2017–18 Environment and Energy Portfolio Additional Estimates Statements the Australian Government allocated funding for a national advertising campaign to inform Australians about the work being undertaken on the Energy for the Future Package.

3.5 The government subsequently announced a National Energy Guarantee policy in late 2017. The policy indicated that the Guarantee was a mechanism intended to integrate energy and emissions policy in a way that encouraged new investment and reduced electricity prices.

3.6 The Department of the Environment and Energy (Environment) was responsible for administering the ‘Energy for the Future’ campaign, subsequently termed the ‘Powering Forward’ advertising campaign. The campaign had five phases between September 2017 and April 2019 and was subject to the 2014 *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*.

3.7 The key elements of the Powering Forward campaign (for Phases 1–5) are summarised in Table 3.1.

Figure 3.1: Examples of press advertisements used in the Powering Forward campaign



Source: Department of the Environment and Energy.

Table 3.1: Summary of the Powering Forward campaign

Campaign summary	
Objectives	<p>Common to Phases 1–4:</p> <ul style="list-style-type: none"> • Raise awareness and understanding among businesses and households of Australian Government actions to secure affordable and reliable energy. <p>Phase 1:</p> <ul style="list-style-type: none"> • Help households and businesses understand their energy needs and find the most reliable and affordable electricity. <p>Phase 2:</p> <ul style="list-style-type: none"> • Help household and business consumers find the most reliable and affordable energy for their needs and increase their energy productivity. <p>Phase 3:</p> <ul style="list-style-type: none"> • Provide practical information to household and business energy consumers to assist them to better manage their energy use and lower energy bills. <p>Phase 4:</p> <ul style="list-style-type: none"> • Help household and business consumers find the most reliable and affordable energy for their needs and increase their energy productivity. • Provide practical information to assist household and business consumers reduce their energy bills and better manage their energy use. <p>Phase 5:</p> <ul style="list-style-type: none"> • Increase awareness of actual savings made available to consumers through government actions. • Increase the number households benefiting from these reforms by taking action to lower their bill.
Timing	<p>Phase 1: 30 September 2017 to 18 November 2017.</p> <p>Phase 2: 4 March 2018 to 14 April 2018.</p> <p>Phase 3: 26 August 2018 to 20 October 2018.</p> <p>Phase 4: 2 December 2018 to 16 December 2018.</p> <p>Phase 5: 1 March 2019 to 13 April 2019.</p>
Target audiences	<p>Primary audiences (Phases 1–4): household renters and homeowner energy consumers in the National Electricity Market (NEM) particularly women and people aged over 55 years; vulnerable communities and individuals including old-aged pensioners, recent migrants, welfare recipients; and business energy consumers in small and medium sized enterprises.</p> <p>Primary audience (Phase 5): household energy consumers over 35 years of age in regional and metropolitan areas in the NEM, particularly women, people aged over 55 years, renters of lower and middle social economic backgrounds; vulnerable communities and individuals including old-aged pensioners, recent migrants, welfare recipients.</p> <p>Secondary audiences (Phases 1–4): consumers outside the NEM (NT and WA); regional communities, workers and landowners affected by coal and coal seam gas mining; energy retailers and shopfronts; energy auditors and consultants.</p> <p>Secondary audience (Phase 5): none specified.</p>

Campaign summary	
Media channels	Phases 1–3: free to air and paid television, radio and print, social media, website (energy.gov.au), out-of-home digital banners and digital display (billboards). Phase 4: as for previous phases, without out-of-home digital banners. Phase 5: as for previous phases, with the addition of cinema, direct mail, shopping centre activations and partnerships.
Total campaign budget (excl. GST)	\$30.3 million, equivalent to \$33.3 million (including GST).
Total campaign expenditure (inc GST)	\$30.3 million.
Media expenditure (inc GST)	Total media placement: \$27.2 million. (Phase 1 and 2: \$7.8 million; Phase 3: \$5.5 million; Phase 4: \$2.7 million; Phase 5: \$11.2 million).
Supplier expenditure (inc GST)	Creative services: \$2.1 million; Research/Evaluation: \$2.5 million.

Source: ANAO analysis and Environment documentation.

Campaign development and approval

3.8 In January 2017, the Minister for the Environment and Energy agreed to proceed with an advertising campaign on Energy for the Future. The Service Delivery and Coordination Committee of Cabinet (SDCC) was involved in campaign development and approval, reviewing the campaign at least 18 times as campaign phases progressed from 2017 to 2019.

3.9 Environment exercised its discretion⁵¹ not to publish the developmental research report for the campaign. Environment advised the ANAO that it did not consider it appropriate to publish the report because 'the campaign is still in the market and the research reports have been considered by Cabinet and could be subject to ongoing Cabinet deliberations as the campaign continues to evolve.'

Campaign funding

3.10 The government agreed on 8 February 2017 to new funding (up to \$10 million in 2017–18) for the development of the campaign. On 6 November 2017, the Prime Minister agreed to announce this funding from the Contingency Reserve. This was after Environment launched the first phase of the campaign and after Environment executed the largest value contract (\$7.8 million for media placement). Phase 2 of the campaign also relied on this initial approval and funding from the Contingency Reserve.

3.11 Environment obtained funding for Phase 3 prior to launching the Phase and entering into contracts with suppliers. For Phase 4, the agreed start date of government funding was 1 January 2019, which is after Environment executed most contracts for Phase 4 and after it launched Phase 4 of the campaign (on 2 December 2018). Funding for Phase 5 of the campaign was identified in the mid-year economic and fiscal outlook (MYEFO) and Environment advised government that it would reallocate some unspent funds from Phase 4.

51 Paragraph 17 of the campaign advertising guidelines requires publication of research reports following the launch of a campaign 'where it is appropriate to do so'.

3.12 Expenditure of \$1.3 million (excluding GST) on contractors was reported in the 2017–18 annual expenditure report prepared by the Department of Finance (Finance), based on departmental self-reporting. The ANAO was not able to find evidence of Environment contemporaneously tracking expenditure against the budget for each campaign phase. The ANAO requested this information and Environment provided draft figures for Phases 1–4 on 18 April 2019 but was not able to provide finalised figures up to Phase 5 during the audit. Environment advised that the figures were produced by an external contractor engaged specifically to perform a reconciliation of campaign budget and expenditure for Phases 1 to 5.

Were the necessary review, certification and publication requirements undertaken?

In its Powering Forward campaign, Environment undertook most review and certification requirements. The Independent Communications Committee reviewed four of the five campaign phases and provided reports to the departmental Secretary. The Secretary certified all campaign phases but the certification for Phase 1 occurred after the campaign launch. The guidelines require that the entity chief executive give the campaign certification to the responsible Minister — the ANAO has seen no evidence that this occurred. Publication requirements were undertaken.

Review by the Independent Communications Committee

3.13 On 3 May 2017 the Independent Communications Committee considered the campaign proposal and indicated it was capable of complying with Principles 1 to 4 of the campaign advertising guidelines.

3.14 The Committee did not consider the second phase of the campaign separately from the first phase. This is because Environment considered that Phase 2 was a second stage of Phase 1 (with the same funding source, approvals and development as Phase 1, but slightly different messaging about the National Energy Guarantee). When Environment consulted Finance about the campaign scheduled for March 2018, Environment referred to the commencement of ‘Phase 2’, but Finance did not at that time mention the requirement for the Independent Communications Committee to review each campaign phase. Departmental records are inconsistent as to whether Phase 2 is a distinct phase of the overall campaign or a second ‘burst’ of advertising approved in the first phase.⁵²

3.15 On 18 July 2018 the Committee considered Phase 3, including campaign evaluation research. On 20 July 2018 the Committee advised the Secretary of the Department of the Environment and Energy (the Secretary) that the Committee was satisfied the campaign was capable of complying with Principles 1 to 4.

52 Finance advised the ANAO that:

‘For the purposes of ICC [Independent Communications Committee] review, Finance is of the view that the two initial advertising bursts of the campaign (notwithstanding the approach taken by Environment and Energy, which later referred to these as separate campaign phases) were part of one activity, underpinned by the same budget, creative approach and messaging.’

3.16 The Committee met on 23 November 2018 to consider Phase 4. Following questions by the Committee, Environment updated its proposed 'Statement Against the Principles'. The Committee concluded that Phase 4 was capable of complying with Principles 1 to 4 of the Guidelines.

3.17 Phase 5 was considered twice by the Committee, on 30 January and 25 March 2019. On both occasions, the Committee was satisfied that Phase 5 was capable of complying with Principles 1 to 4.

Secretary's certification

3.18 Paragraph 14 of the guidelines provides that the entity chief executive will consider reports (from the Independent Communications Committee and the department) on campaign advertising compliance before giving a certification to the relevant Minister, who may launch the campaign or approve its launch. This process is intended to ensure that the Committee's reports inform the chief executive and the Secretary's certification informs the responsible Minister's decision-making. The ANAO has seen no evidence that the Secretary's certification was provided to the relevant Minister.

3.19 The Secretary certified that all phases were compliant with the guidelines. In respect to Phase 1, the Secretary certified compliance after the campaign launched on 30 September 2017.⁵³ All other certifications were timely.

3.20 In October 2017 Environment advised the Secretary in writing that the Independent Communications Committee 'determined' that the campaign complied with Principles 1 to 4. The Committee does not make determinations under the Guidelines, it gives advice. Environment also advised the Secretary that 'the Department is confident that the campaign has been developed in accordance with the Guidelines'. This departmental advice was unsigned.

3.21 Environment prepared written briefings to the Secretary for Phase 1, Phase 3, Phase 4 and Phase 5.⁵⁴ The briefings did not include documented verification of campaign statements. Environment advised the ANAO that the Secretary was briefed verbally on the development and content of the campaign, including its messaging and the evidence base underpinning those messages. As the Guidelines do not prescribe a form of briefing, the ANAO requested evidence of the verbal briefing(s) on which basis the Secretary was assured that specific campaign statements were accurate and verifiable.⁵⁵ Environment was unable to provide evidence of the verbal briefings and advised that it is 'confident that the form of briefing used was adequate and met this requirement'. The accuracy and verifiability of campaign statements is examined in the next section of this audit report.

Publication processes

3.22 Certification statements and advice from the Independent Communications Committee were published on the Environment and Finance websites as required. There were some problems

53 Environment advised the ANAO that the reason for the delay in the certification process was 'workload for the campaign launch', which included public holidays.

54 Environment advised the ANAO that it did not provide the Secretary with a written briefing to support certification for Phase 2 because 'the Secretary stated a verbal brief was sufficient as it was the second stage of the campaign in administrative terms.'

55 Paragraph 21 of the guidelines states that 'Where information is presented as fact, it should be accurate and verifiable.'

with publication on the Environment website.⁵⁶ There was also some inconsistency in the descriptions used for campaign activities occurring between Phases 1 and 3. Some of Environment's records describe this activity as Phase 2 while others describe it as a further 'burst' of Phase 1. While the Committee did not review these activities, the department published a Secretary's certification statement dated 30 October 2017, which was four months before this activity was scheduled to launch.⁵⁷

3.23 Environment published details of the campaign in its 2016–17 and 2017–18 Annual Reports as required.

Were the principles of the framework adhered to?

The campaign was relevant to Government responsibilities and was presented in an accessible manner. Environment did not document the verbal briefings which informed the Secretary's campaign certification and did not contemporaneously document the links between information presented as fact in the campaign and underlying information sources. Environment advised the Independent Communications Committee that the campaign's key messages and supporting information could be verified by other agencies or parties. However, the department was not able to demonstrate a clear line of sight between all campaign statements and the source material it referenced in a verification matrix prepared for ANAO review. As a consequence the ANAO is not in a position to provide assurance on whether all the reviewed campaign statements were accurate and verifiable.

Campaign materials were objective and not directed at promoting party political interests. The Ministerial statement released at the launch of Phase 4 contained overt political argument and could be interpreted as being directed at strengthening community support for the government of the day. There would be benefit in providing for all media releases associated with launching a taxpayer funded campaign or campaign phase to be subject to the approval and certification processes applying to campaign materials.

Environment's justification for producing 3,400 brochures outside the campaign advertising framework is unclear. The brochures were prepared at the department's discretion and at public expense without authorising statements, notwithstanding the use of campaign imagery, branding and content. The brochures were provided to the Minister's office.

Environment did not comply fully with relevant legal requirements and procurement policies and procedures.

Ongoing justification for the campaign was not clear-cut, as successive evaluation reports indicated that the campaign was not realising all of its key performance indicators.

56 As first published, the Secretary's certification statement for Phase 2 of the campaign omitted reference to principles 1, 3 and 4. When queried about this during the audit, Environment attributed the omission to a scanning error and produced a complete certification statement, which it had published on the Environment website in December 2018.

57 The 'Certification Statement — Powering Forward Campaign' referred to 'an additional, revised 15-second television commercial for the Powering Forward Campaign, with information about the National Energy Guarantee.'

Principle 1 — was the campaign relevant to Government responsibilities?

3.24 Environment's Statement Against the Principles prepared for the Independent Communications Committee, and the Secretary's certification for Phases 1, 3, 4 and 5 stated that the 'campaign relates directly to responsibilities as outlined in the Department of the Environment and Energy's Administrative Arrangements Order, in particular energy policy; national energy market, including electricity, gas and liquid; industrial energy efficiency; and energy efficiency'. During the meetings held to consider Phase 1, Phase 3, Phase 4 and Phase 5 of the campaign, the Independent Communications Committee was satisfied that the campaign was relevant to government responsibilities.

3.25 The Committee did not have an opportunity to review Phase 2. In Phase 2 the Secretary certified that the revised Phase 1 campaign was relevant to government responsibilities because it was underpinned by a Cabinet decision which was intended to be implemented during the current Parliament.

Principle 2 — was the campaign presented in an objective, fair and accessible manner, and designed to meet the objectives of the campaign?

Campaign statements

3.26 Paragraph 20 of the guidelines provides that campaigns should enable the recipients of the information to distinguish between facts, comment, opinion and analysis. Paragraph 21 of the guidelines provides that where information is presented as a fact, it should be accurate and verifiable.

3.27 In May 2017, when the Independent Communications Committee first considered the campaign, the Committee noted that the energy debate was contested in some areas and that the final form of messaging would require sensitivity with respect to Principle 2 (and Principle 3). In mid-2018, Environment advised the Committee that 'the campaign presents its key messages and supporting information in a way that is clearly factual and can be verified by other agencies or parties involved in energy policy, regulation or delivery'.

3.28 As discussed in paragraphs 3.18–3.21, for each phase of the campaign, the Secretary certified that campaign statements complied with the campaign advertising guidelines, without receiving documented advice on the verification of campaign statements. When queried about the absence of documented advice, such as a verification matrix for campaign statements, Environment advised the ANAO that:

In the developmental stage of Powering Forward and prior to each phase, both [departmental] divisions considered the messaging to ensure it was supported by policy information and that the simple language and ideas used in advertising creatives conveyed accurate messages to audiences.

The divisions considered: the development of key messages, public information which could support key messages, research undertaken for the campaign and other research commissioned or available to PAID [Policy Analysis and Implementation Division] and ED [Energy Division], sensitivities, and ongoing arrangements to clear content in the campaign and in campaign peripherals (including social media).

An SES [Senior Executive Service] officer in ED was designated to be the key clearance point in the division, supported by an EL2 as the project officer. Weekly campaign updates were provided to the ED Executive (ExCom), who discussed and cleared a range of campaign contributions and

peripherals. Regular meetings were held between PAID and ED project team members. These were not minuted formally.⁵⁸

3.29 Environment further advised that this approach was adopted in the context of:

the evolving policy context for energy, the progressive delivery of action by the Australian government and the need [to] review and address analytics and feedback on the campaign while it was in market, including developing and clearing social media content.

3.30 During the audit Environment developed a verification matrix for ANAO review, which was the type of material that Environment could have given the Secretary to provide assurance that campaign statements were accurate and verifiable. This matrix addressed the main campaign statements and themes made during Phases 1 to 4.⁵⁹ The ANAO's review of the campaign statements addressed in the matrix identified a range of issues and Environment was invited to provide supplementary information to clarify them. Environment provided further information, much of which required additional explanation and interpretation by the department.

3.31 For example, the ANAO raised issues in respect to the statement 'we've secured agreements with retailers to give you a better deal ... with savings of hundreds of dollars per year', which was made on radio during Phase 3 (which ran from August to October 2018). The matrix referenced events occurring after Phase 3 to validate the statement. The matrix stated that agreements were made during a series of round table meetings between Ministers and energy retailers held on 9 and 30 August 2017 and 7 November 2018. The November 2018 meeting occurred after Phase 3 ended. Further, the department stated that after the 7 November meeting, the Minister wrote to each retailer indicating the government's intention to take strong action and that in consequence of this pressure, a range of retailers announced automatic discounts to take effect from 1 January 2019. These events also occurred after Phase 3 ended in October 2018.

3.32 At the conclusion of the review process Environment was not able to demonstrate a clear line of sight between all the campaign statements addressed in the matrix and the source material referenced in the matrix and supplementary information. As a consequence, the ANAO was not in a position to provide assurance on whether all the reviewed campaign statements were accurate and verifiable. As noted in paragraph 3.27, Environment advised the Independent Communications Committee that the campaign's key messages and supporting information could be verified by other agencies or parties. This was not possible in this audit and there would be merit in Environment reviewing its campaign certification processes to contemporaneously establish and document a clear line of sight between information presented as fact in a campaign and the sources for that information. There would also be merit in Environment reviewing its certification processes to ensure that the Secretary has access to documented advice on the factual basis of campaign statements before certifying that a campaign complies with the guidelines.

58 Environment advice to ANAO, 22 January 2019.

59 The matrix addressed 23 campaign statements. The total number of campaign statements is arguably higher as statements were expressed differently at different times and on different media platforms.

Recommendation no.5

3.33 The Department of the Environment and Energy amend its campaign certification process to:

- (a) contemporaneously document how it has verified the accuracy of all statements to be made in its advertising campaigns; and
- (b) ensure the chief executive has access to documented advice on the factual basis of all campaign statements before certifying that a campaign complies with the campaign advertising guidelines.

Department of the Environment and Energy response: *Disagreed.*

3.34 *The campaign guidelines require the Secretary to consider the Independent Communications Committee report on compliance with principles 1-4 and the Department's report on compliance with principle 5. The guidelines do not prescribe the requirement for the Secretary to verify campaign statements or implement a process of verification as recommended by the ANAO.^a The Department of the Environment and Energy stands by the current campaign certification process including the advisory function of the Independent Communications Committee.^b*

Note a: ANAO comment — The guidelines state that the accountable authority will 'certify that the campaign complies with the Guidelines and relevant Government policies'. Under paragraph 21 of the campaign advertising guidelines, Principle 2 includes that 'where information is presented as a fact, it should be accurate and verifiable'.

Note b: ANAO comment — Auditor-General Report No.24 2011–12 *Administration of Government Advertising Arrangements: March 2010 to August 2011* recommended that the then Department of Climate Change and Energy Efficiency 'review its campaign certification processes to ensure that there is a clear line of sight between information presented as fact in a government advertising campaign and the sources cited in support of that information'. The department agreed to the recommendation.

Community access

3.35 Environment conducted concept testing, including media targeting analysis 'to understand any media consumption nuances' within the broad Australian adult target audience. The ANAO's review concluded that presentation of the campaign using various media channels enabled the campaign to meet the campaign objective of reaching a broad Australian audience.

3.36 All phases of the campaign addressed culturally and linguistically diverse (CALD) audiences and Indigenous audiences. Print and radio advertisements were produced for eleven languages. Full colour advertisements ran in key national Indigenous publications. Where people featured in advertisements, the imagery of the advertisements included a reasonably diverse range of Australians in terms of age and gender. Although campaign imagery did not reflect diverse ethnicity, the campaign considered and presented to diverse ethnic groups. Environment tracked the performance of campaign materials with target audiences, including CALD and Indigenous audiences, against the objectives of the campaign. Environment also adjusted its media buy to cater for 'the most responsive' language groups.

Principle 3 — was the campaign objective and not directed at promoting party political interests?

3.37 The campaign materials did not contain overt political argument. As required by paragraph 28 of the guidelines, campaign materials did not:

- mention the party in Government by name;
- directly attack or scorn the views, policies or actions of others;
- include party political slogans or images; or
- refer or link to the websites of politicians or political parties.

3.38 Additionally, paragraph 27 of the guidelines provides that campaigns must not try to foster a positive impression of a particular political party or promote party political interests, while paragraph 28(d) provides that campaigns must not be designed to influence public support for a political party.

3.39 The ministerial media release that launched Phase 4 of the campaign contained overt political argument. On 2 December 2018, the Minister for Energy publicly announced Phase 4, stating that:

The Liberal and Nationals Government is continuing to take action so more Australians pay less for their electricity.

While Labor sides with the big energy companies - we will always put customers first.⁶⁰

3.40 There was also a similarity in tone and content between campaign advertising statements and ministerial media releases containing overt political argument (Table 3.2).

Table 3.2: Comparison of Ministerial media releases and campaign statements

Ministerial media release statement	Date	Campaign statement (Phases 1–4)
Following Labor's failures in office the Turnbull Government has acted decisively to implement a mechanism allowing the restriction of gas exports, which will ensure there is adequate and affordable gas for Australia's domestic market.	31 August 2017	We're ensuring there's enough gas for Australians, before it's shipped offshore. (Phase 1,3)
In its six years in office, Labor didn't lift a finger to rein in the powers of the poles and wire companies and the energy retailers.	4 September 2017	We've reined in the power of network companies. (Phase 3)
So too with the retailers, it has been the Coalition not Labor government that has called in the energy CEOs and won significant commitments from them to offer millions of Australians a better energy deal.	4 September 2017	We've secured agreements from retailers to give consumers a better deal. (Phase 1, 3)
The Morrison Government is taking action to drive down electricity prices by increasing competition and increasing supply in the market.	27 March 2019	Energy providers have dropped costs on their most expensively priced plans due to Government pressure (Phase 5)

Source: ANAO analysis.

3.41 Ministerial statements at the launch of a campaign, and those made or released in parallel to a campaign, provide a backdrop and context to the campaign. Where Ministerial statements launching a campaign or campaign phase include political commentary, they can raise concerns that

⁶⁰ A Taylor, (Minister for Energy), 'Power price relief campaign launch', media release, 2 December 2018. Available from <http://www.environment.gov.au/minister/taylor/media-releases/mr20181202.html> [accessed 13 February 2019].

the campaign is intended to influence public support for the government of the day. To provide additional confidence regarding compliance with Principle 3 of the guidelines, there is merit in requiring all media releases associated with launching a taxpayer funded campaign or campaign phase to be subject to the approval and certification processes that apply to campaign materials.

Recommendation no.6

3.42 The Australian Government require all media releases associated with launching a campaign or campaign phase to be subject to the approval and certification processes applying to campaign advertising materials.

Department of Finance response: *Noted.*

3.43 *Recommendations 1, 2, 4 and 6 relate to policies that underpin the Government's campaign advertising framework. Finance will brief the Government on the ANAO's findings and recommendations.*

Principle 4 — was the campaign justified and undertaken in an efficient, effective and relevant manner?

The need for the campaign

3.44 Before conducting developmental market research, the government was advised by Environment that it needed to shift perceptions about government leadership in the energy context. Environment also advised the government that affordability was the top priority for the Australian public.

3.45 Market research took place in February 2017. It indicated that the government was not communicating effectively and raising sufficient awareness among Australians about what it was doing in the energy market, and that views of the Australian Government's performance in leading reform of the national energy market were not favourable. The research further indicated a need to inform Australians about energy security, efficiency and affordability.

3.46 Apart from consideration by the SDCC at Stage 1, departmental records do not indicate whether, in considering the ongoing need for a campaign, there was consideration of alternatives to a paid campaign. An advertising campaign (Phase 1) was recommended by the department to the Minister because:

Australians generally do not understand how the national energy market works, and in particular do not understand what energy security is. In addition, they are not aware that an independent review into the future security of the national energy market is underway.

The responsibility for ensuring a reliable and affordable energy supply is seen to rest primarily with the Australian Government and there is an expectation that it will lead the debate and articulate the way forward.

There is enthusiasm for a coordinated, national approach to energy supply and a desire for Government to articulate tangible actions and timelines.

Australians are interested in finding out what they can do to reduce their energy consumption, with many indicating a desire to be more energy efficient but indicating lack of knowledge is a barrier.⁶¹

3.47 Environment built flexibility into the campaign so that it could incorporate new reforms and announcements. It did so by planning for multiple phases and adjusting messages during campaign phases.

3.48 Ongoing justification for the campaign was not clear-cut as successive evaluation reports (discussed below) indicated that the campaign was not realising all of its key performance indicators. Environment supported additional campaign activity and acted on recommendations from evaluations after Phases 1, 2 and 3 even though: the campaign's call to action was not clear; the public was not visiting the website as much as expected to obtain information on how to reduce energy costs; and the public was not connecting the campaign name with the website. The Phase 3 evaluation indicated that after Phase 3, a lack of belief that the Australian Government would deliver on promises to reduce costs indicated that the campaign's credibility was 'compromised'. Environment used the limited results in evaluations to justify Phase 4 and Phase 5. Evaluation will be discussed further from paragraph 3.63.

Delivering the campaign in an efficient, effective and relevant manner

3.49 Campaign delivery in all phases of the campaign was consistent with recommendations by the master media agency. Initially, the master media agency identified television as the most heavily consumed channel, followed by newspaper, radio and out of home displays (billboards). Most of the media expenditure in the first two phases was attributable to television, followed by newspapers and radio. The pattern of expenditure was similar in Phase 3 except expenditure on CALD media grew when the investment in all other channels fell compared with Phases 1 and 2. By Phase 4, radio surpassed television in its share of the spend, with press still in the top three media channels based on spend.

3.50 The media plan for Phase 5 differed from other phases. In Phase 5 the use of out of home (billboard) displays and digital displays was prioritised over the use of press, radio and television. Phase 5 also uniquely included cinema advertising, direct mail (as discussed below in paragraph 3.53), and shopping centre promotional activities. In two months between January 2019 and February 2019, Environment received five separate reports addressing campaign development, concept testing, concept refinement, a final concept evaluation and 'concept lockup'. Unlike in other phases, Environment obtained 'endorsement' from its external researchers that the Phase 5 assets were 'fit for purpose' to deliver campaign objectives.

Production of brochures

3.51 Environment provided the ANAO with four examples of glossy brochures that it produced during Phases 1–4 of the campaign that had a similar 'look and feel' to campaign materials. Environment advised that the brochures were not 'campaign advertising' and so were not required to carry government authorisation text. Environment advised the ANAO that its external engagement team developed these brochures using campaign images and colours, the term 'Powering Forward' and the same content as that on the campaign website, partly due to a limited image library at Environment. Environment further advised the ANAO that: 3,400 brochures were

61 Advice from Environment to Minister, 21 March 2017.

printed for \$6,575 (see Table 3.3); it provided the brochures to its Minister's Office and the Department of the Prime Minister and Cabinet (concurrently with the campaign) upon their request; and two of the brochures were published on the campaign website.

Table 3.3: Environment brochures produced outside the campaign advertising framework

Brochure title on invoice	Number printed	Cost
'Energy brochure 1'	1400	\$4519
'Powering Forward energy brochure 2'	500	\$385
'Energy PMO ^a brochure — energy brochure 3'	1000	\$947
'Powering Forward energy brochure 4'	500	\$724
Total	3400	\$6575

Note a: PMO is the acronym for the Prime Minister's Office.

Source: Energy brochure invoices provided to ANAO by Environment.

3.52 The justification for these brochures is unclear and their production was undertaken outside the certification processes of the campaign advertising framework, which was established to regulate the use of campaign advertising and justify the use of taxpayer funds for this purpose. The brochures were prepared at the department's discretion and Environment considered that they did not require authorising statements, notwithstanding the use of campaign imagery, branding and content.⁶²

3.53 In contrast, in Phase 5 of the campaign direct mail flyers were clearly a component of the campaign advertising materials. Direct mail was delivered to approximately 5.9 million homes in regional, rural and outer-city suburbs in the National Electricity Market. The example flyer provided to the ANAO included an authorisation statement. Environment advised the ANAO that direct mail brochures cost \$233,822 which was paid for with campaign funds.

Principle 5 — did the campaign comply with legal requirements and procurement policies and procedures?

3.54 The Powering Forward campaign involved the procurement of a range of services for: market research; creative development; media strategy; and benchmarking, tracking and evaluation. Environment procured external legal advice for specific aspects of the campaign.⁶³

3.55 When procuring services for the campaign, Environment employed standard form contracts that addressed the legal requirements of the manner of presentation and delivery of the campaign with respect to broadcasting and media laws, privacy laws, intellectual property laws, electoral laws, trade practices and consumer protection laws and workplace relations laws.

3.56 The campaign advertising guidelines require that procurement policies and procedures for the tendering and commissioning of services and engagement of suppliers are to be followed, and there

62 The department advised the ANAO in October 2018 that the brochures were prepared using campaign funds. The department's further advice in April 2019 was that campaign funds had not been used.

63 Environment advised the ANAO that its General Counsel Branch does not usually provide advice on compliance for preparing the Secretary's campaign certification brief. This is partly because contracts used for campaigns contain standard controls to ensure compliance with relevant laws for government advertising campaigns. Consistent with past practice, the Branch provided no internal legal advice for the campaign.

must be a clear audit trail regarding decision-making. Environment did not maintain a complete record of financial approvals for spending proposals in its records management systems (Procure to Pay or 'P2P', SPIRE and Protected Enclave), mainly in the first four phases of the campaign.

3.57 For the creative and media strategy procurements, there is no evidence that Environment officials exercised delegations to approve services following SDCC agreement to these activities. For the procurement of market research, an Environment delegate approved the original contract but not subsequent variations. For benchmarking, tracking and evaluation, Environment recorded 'multiple decisions sets' without specifying the decisions and the relevant delegate. Departmental records indicate that Environment identified at least two breaches of the PGPA Act (on 16 June 2018 and 17 August 2018) relating to the exercise of delegations without full authorisation.

3.58 According to Environment's procurement rules, instances of non-compliance with the PGPA Act and the *Financial Framework (Supplementary Powers) Act 1997* and related Regulations must be recorded as soon as practicable after they occur. Environment reported the breaches in its Framework Policy, Assurance and Compliance Tool in March 2019, during this audit, rather than as soon as practicable after the breaches occurred.

3.59 There were problems with the timing of various procurement activities. Environment's procurement team did not consistently review procurement activities before they were undertaken. Witnessing of one creative contract occurred one day after Environment executed the contract. Before Phase 5, Environment published seven of 18 AusTender notices late, ranging between 1 and 560 days overdue. Another seven of 27 AusTender notices (including for Phase 5) did not completely match dates in actual contracts and variations. After Environment amended AusTender records during the audit to address inaccuracies, the ANAO identified four contracts with values that differed from the reported values on AusTender (none of which involved Phase 5 contracts).

3.60 The Environment Secretary's Instructions require the development of a contract management plan for any contract at or above the \$80,000 procurement threshold. Environment's records did not contain contract management plans for any of the relevant contracts entered into by the department for the campaign.

Recommendation no.7

3.61 The Department of the Environment and Energy review its procurement and commitment processes for campaign-related services to ensure full compliance with its procurement policies and the requirement of the campaign advertising guidelines for a clear audit trail regarding decision-making.

Department of the Environment and Energy response: Agreed.

3.62 *The Department of the Environment and Energy has reviewed its procurement process and implemented measures to improve the administration of campaign-related procurement. The Department welcomes the ANAO's affirmation of these improvements during phase 5 of the Powering Forward campaign.^a*

Note a: ANAO comment — Environment's procurement processes for Phase 5 were an improvement on previous phases, but there were still shortcomings: four incorrect AusTender notices were published (paragraph 3.59); and required contract management plans were not developed (paragraph 3.60).

Was the campaign evaluated to determine its effectiveness?

Environment benchmarked, monitored and evaluated each phase of the campaign. Environment also set performance measures and used them to gain insights into the campaign's overall effectiveness. The overall evaluation for the campaign's first three phases reported that its impact was limited. Environment nonetheless conducted a fourth phase at a cost of \$4 million (including GST). After receiving an evaluation that Phase 4 of the campaign struggled to engage the audience, Environment conducted a fifth phase at a cost of \$11 million (including GST) without documenting whether this represented a proper use of public resources.

3.63 Environment commissioned benchmarking, tracking and evaluation for the campaign. Initial benchmarking surveys were completed in 11 October 2017. Benchmarking revealed limited awareness of Australian Government energy reforms and initiatives. Household and business perceptions of the Australian Government's performance in relation to energy matters was mostly average to poor. Environment and the service provider together established key performance indicators (KPIs) to evaluate campaign performance.

3.64 In November 2017, Environment advised Finance that 'for websites, we are tracking using our own analytics.' Environment produced communications and engagement quarterly reports that summarised some aspects of the performance of the campaign. Environment also monitored and responded to enquiries received from the public who visited the Powering Forward campaign site.

3.65 On 25 May 2018, Environment received an evaluation report for the first two phases of campaign advertising. The evaluation found that the campaign was 'competing for cut-through' with advertising by energy companies and other media. Overall, the evaluation found one in two household respondents and over two in five business respondents correctly recalled at least one of the campaign messages without prompting. The evaluator described this as 'solid' 'take-out' of key messages. The evaluation suggested that:

it is likely that overall awareness of the Australian Government's actions and initiatives in relation to energy would have decreased further in the absence of the campaign advertising.⁶⁴

In respect to the call to action, the evaluation stated that 'significant proportions of respondents reported that they had taken action as a result of seeing and/or hearing the campaign advertising.'

3.66 While the campaign was rated effective overall in terms of its impact as measured by its awareness and behavioural KPIs, the evaluation stated that there is 'significant scope for additional activity' to drive improvements in KPIs. The evaluator considered a larger media buy 'likely to lead to improvements' in the target audience's awareness and behaviours.

3.67 Environment procured a 're-benchmark of research', which occurred before Phase 3 of the campaign, and had a primary focus on affordability. In September 2018, campaign evaluation indicated that awareness of energy as an issue increased sharply since Phase 2, however, the impact of the campaign itself was 'yet to be seen'. Overall, awareness of Powering Forward and the National Energy Guarantee was low amongst both business and household audiences.

⁶⁴ Orima, *Energy for the Future Campaign Evaluation Research Report*, 25 May 2018, p. 7.

3.68 In October 2018, the supplier delivered tracking evaluation for Phase 3 of the Powering Forward campaign. The evaluation indicated that the impact of the campaign was limited, with no significant shift in key call to action objectives. Only two per cent of household respondents (one per cent above the benchmark) and seven per cent of small to medium enterprises (three per cent above the benchmark) claimed to have searched for Powering Forward online. Similarly, there was no significant increase in households or small to medium enterprises contacting energy providers for a better deal.

3.69 Environment received a campaign evaluation report of the first three phases in October 2018. The report indicated that recall of Powering Forward had 'no clear impact from the benchmark'. Television recognition peaked at 29 per cent for household audiences, which was well below the target reach of 40–45 per cent. Despite positive reactions, less than one in four people agreed that the creative (advertising material) encouraged them to look for information online or search for a better deal, and 56 per cent of people aged over 55 years did not consider Powering Forward as relevant to them. Unprompted recall of Government energy initiatives was low and prompted awareness of energy initiatives did not shift from the benchmark for households. Overall, the campaign did not impact the likelihood of contacting energy providers, especially for those aged 55 years or more with limited internet use; and did not have a clear impact on energy related behaviour.

3.70 Environment progressed Phase 4, with a budget of over \$4 million (including GST), based on selected performance of the previous phases. When advising government at the time, Environment did not advise on the information outlined in paragraph 3.69. Rather, Environment advised government of the phase 1 to 3 evaluation report, stating that:

- the existing creative and key messages of the campaign would continue to achieve positive results;
- perceptions of the campaign advertisements were generally positive, especially among business respondents;
- there was a solid behavioural response to the campaign's call to action; and
- the key messages of Phase 4 would 'reinforce the overarching messages of the campaign's first three phases'.

3.71 In December 2018, when Phase 4 was in the market, the Minister for the Environment and Energy indicated to the Chair of the SDCC that he wished to communicate how new measures recommended by the Australian Competition and Consumer Commission would advance the Government's plan for a more affordable and reliable energy system.

3.72 Environment received an evaluation report for Phase 4 in January 2019, which reported a modest impact:

Phase 4 has not created much noise; campaign awareness actually fell amongst households. However, SME's [small to medium enterprises] have noticed it, and for both audiences 'Powering Forward' is far more salient than in Phase 3.

Slow consumer engagement with the TVC [television creative materials] may indicate over familiarity with the creative, possibly worsened by too much information. Reactions remain stable generally, but less perceptions of being informative and comprehensible are of concern.

Phase 4's impact has been modest in general, and mostly limited to attitudinal gains; households in particular continue to resist the call to action to search for information (and ultimately a better deal on energy prices).⁶⁵

3.73 Before Phase 5 of the campaign, in March 2019, minutes indicated that Environment advised the Australian Government that the 'previous phases of the campaign did not work optimally in terms of prompting households to take action'⁶⁶ and that the evaluation for Phase 4 had demonstrated that the 'campaign struggled to engage the audience', which 'undermined the call-to-action for consumers to contact their energy suppliers'.⁶⁷

3.74 Where a campaign is evaluated to have weak results against its objectives, as in the case of Phases 1 to 4 of the Powering Forward campaign, it is good practice to assess whether continuing the campaign represents a proper use of public resources. If a decision is made to continue regardless, it is good practice to clearly document the reasons for continuing the campaign in the context of the evaluation findings.

Recommendation no.8

3.75 If a campaign is evaluated to have weak results against its objectives, the Department of the Environment and Energy assess whether continuing the campaign represents proper use of taxpayer resources, and document the reasons for continuing the campaign.

Department of the Environment and Energy response: *Disagreed.*

3.76 *The Department of the Environment and Energy notes the positive impact of the Powering Forward campaign.^a The final evaluation report confirms that the campaign built recognition strongly, delivered clear messaging around asking for a better electricity deal and encouraged people to take action. The Department considers that the ANAO's analysis and overall conclusion contained in the proposed report do not appropriately consider the evolving nature of the campaign. The Department considers this analysis fails to adequately acknowledge the very strong outcomes of phase 5 of the campaign which saw 63 per cent of those exposed to the campaign taking at least one action directly as a result of seeing the advertising.^b*

Note a: ANAO comment — As detailed from paragraph 3.65 to 3.72, the first four phases of the Powering Forward campaign were evaluated to have weak results against stated objectives.

Note b: ANAO comment — The Phase 5 review specifically found that:

Most of those recognising the campaign have taken some action as a result of exposure (63%) including both preparatory (51%, for example thinking, talking, searching for information about energy prices) and more decisive steps (23%, for example making direct contact with providers).

65 Hall & Partners, *Powering Forward Phase 4: campaign evaluation, full report*, January 2019, p. 5.

66 Minutes attached to correspondence from Department of Finance to Department of the Environment and Energy, dated 22 March 2019.

67 *ibid.*

3.77 In May 2019, Environment received a report outlining key insights from Phase 5. This report stated that there had been 'strong increases in information search about energy' and 'making contact with their energy provider' that were 'clearly driven by the Phase 5 campaign activity'. The report also stated that:

Against a backdrop of easing concern with rising energy costs, more household energy decision makers were aware of the Australian Government acting on rising prices (21%, up significantly from Phase 4), and 1 in 4 believed this government action will cut prices.⁶⁸

68 Hall & Partners, *Powering Forward Phase 5: Key Insights*, May 2019, p. 8.

4. The Physical Activity for Young Women campaign

Areas examined

This chapter provides an overview of the Physical Activity for Young Women campaign, and examines the Department of Health's (Health's) processes for review and certification, compliance with guidelines, and evaluation of the campaign's effectiveness.

Conclusion

Health undertook the required review and certification processes for the Physical Activity for Young Women campaign. Health adhered to principles 1 to 3 and largely with principle 5 of the guidelines. Regarding Principle 4, while there was an identified justification for the initial phase of the campaign, the department was unable to adequately demonstrate the continuing justification for the campaign based on evaluation results. Health included a number of additional activities for the campaign (events, merchandise and partnerships) but did not evaluate these to determine effectiveness or value for money.

Areas for improvement

The ANAO has made one recommendation aimed at setting clear and measureable performance targets for advertising campaigns.

Campaign overview

4.1 The Department of Health (Health) is responsible for the administration and governance of public health policy and services, which includes the management of the Physical Activity and Sedentary Behaviour Guidelines. Health commissioned research to update the guidelines in 2014, which also made the case for a public health campaign. In late 2015, Health initiated the development of an advertising campaign aimed at increasing participation in physical activity and sport amongst young women and girls. Titled the Physical Activity for Young Women campaign, it was also commonly referred to by its campaign slogan, 'Girls Make Your Move'.

4.2 The campaign was subject to the 2014 *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*. Key elements of the Physical Activity for Young Women campaign are summarised in Table 4.1.

Table 4.1: Summary of the Physical Activity for Young Women campaign

Campaign summary	
Objective	To increase participation in physical activity among young women and girls aged 12–19 years, during Phase 3 the target audience was extended to those aged 21 years.
Timing	Phase 1: 28 February 2016 to 14 May 2016. – An additional social media 'burst' was approved for the Olympic Games held in Rio de Janeiro, Brazil from 5–26 August 2016. Phase 2: 17 February 2017 to 5 June 2017. Phase 3: 25 March 2018 to 30 June 2018.

Campaign summary	
Target audience	All young Australian women aged 12–19 years (which was extended to include women up to 21 years during Phase 3).
Media channels	Television (and online television), digital and mobile media, social media, cinema, print media, Out of Home displays (for example, billboards), search engine marketing, events and promotions, and specific media to reach Aboriginal and Torres Strait Islanders and culturally and linguistically diverse (CALD) Australians.
Total campaign budget (excl. GST)	\$23.0 million, equivalent to \$25.3 million (including GST).
Total campaign expenditure (inc. GST)	\$24.1 million.
Media expenditure (inc. GST)	Total media placement: \$20.0 million. (Phase 1: \$7.5 million; Phase 2: \$7.0 million; Phase 3: \$5.5 million).
Supplier expenditure (inc. GST)	Creative Agency: \$2.7 million; Research/Evaluation: \$1.9 million; Public Relations: \$0.05 million.

Source: ANAO analysis of Health documentation.

Figure 4.1: Examples of press advertisements used in the Physical Activity for Young Women campaign



Source: Department of Health.

Campaign development and approval

4.3 On 29 October 2015, the Minister for Health approved the development of a new 'Physical Activity and Sport Participation' advertising campaign, targeted towards young Australian women aged 12–18 years. Health initially planned to directly license a similar overseas initiative, Sport England's 2015 'This Girl Can' campaign, and adapt it to Australian audiences. Direct licensing of 'This Girl Can' was unsuccessful, but the November 2015 market research services procured by Health concluded that "'This Girl Can' as a concept ad is highly suitable for adaptation to Australian female audiences'. The final formative research report is available from Health's campaign website.

4.4 Phase 2 of the Physical Activity for Young Women campaign received approval for development by the Minister for Health on 20 October 2016; and the funding and strategic approach for Phase 3 of the campaign was approved by the Minister for Health on 19 October 2017.

4.5 The Service Delivery and Coordination Committee of Cabinet (SDCC) reviewed Phases 1–3 of the campaign on five separate occasions between December 2015 and March 2018. The SDCC approved Health's direct sourcing of the Australian affiliate of the communications agency responsible for producing the overseas-based 'This Girl Can' campaign. The SDCC supported Health's justification and targeting of the campaign towards the specified sub-population (young women), and approved the communication strategy and final creative development of each phase.

Were the necessary review, certification and publication requirements undertaken?

Health undertook most of the necessary review and certification requirements for the Physical Activity for Young Women campaign. Health's Secretary certified all campaign phases before they commenced. Health did not provide its Minister with a copy of the Secretary's Certifications prior to the launch of each phase, as required by the guidelines. Publication requirements were undertaken.

Review by the Independent Communications Committee

4.6 The Independent Communications Committee (the Committee) reviewed the Physical Activity for Young Women campaign to confirm if it was capable of complying with Principles 1 to 4 of the campaign advertising guidelines for each phase. Concerns were initially raised by the Committee during the Phase 1 submission about the gendered nature of the campaign. Health provided research-informed advice and recommendations in response to these concerns, which were accepted by the Committee. However, the Committee noted that if any of the assumptions which had informed the choice of the target population proved to be false, then the ultimate effectiveness of the initiative could be impaired. The Committee concluded that the campaign was capable of complying with Principles 1 to 4 of the guidelines for each of the three phases.

4.7 During the review of Phase 3, the Committee noted that securing ongoing funding for the campaign would present 'a challenge, with hospitals and other health services given priority'; and that the onus would fall on Health to make known the long-term benefits of a behavioural change campaign.

Secretary's certification

4.8 The departmental Secretary's certifications were completed prior to the launch of each phase of the campaign. The department did not provide the Minister for Health with the Secretary's certifications for any of the three campaign phases. The guidelines require that the entity chief executive provide the campaign certification to the responsible Minister to inform the Minister's decision to launch a campaign or approve its launch. This process is intended to ensure that the certification informs the responsible Minister's decision-making.

4.9 The Secretary's briefing pack was sufficient for each phase. Each pack contained: a statement of Health's evidence supporting the campaign's compliance with all Principles of the guidelines; legal advice; official clearance of the campaign materials from the Principal Medical Adviser; Independent Communications Committee compliance advice for Principles 1 to 4; and a copy of the respective phase's media plan and creative materials.

Publication processes

4.10 Publication of the Secretary's certifications on the Department of Health's website, and the Committee's compliance advices on the Department of Finance's website, both occurred within the required timeframes for each phase. Health published details of the Physical Activity for Young Women (Girls Make Your Move) campaign in its Annual Reports, as required.

Were the principles of the framework adhered to?

The campaign was: relevant to government responsibilities; presented in an objective and accessible manner; and campaign messaging was not directed at promoting party political interests. The campaign justification was an identified public health need and the department followed a media plan and the master media agency's advice for efficient and effective media placement. There was a variance of \$1 million between actual expenditure and the figure reported in Finance's annual report to Parliament, due to the approach adopted for reporting expenditures to Finance.

There is no basis on which to assess the overall efficiency and effectiveness of the campaign, as Health did not evaluate the impact of campaign events, merchandise or campaign partnerships on the physical activity of young women.

Health sought advice on compliance with legal requirements. There was compliance with procurement policies and procedures, with the exception of some contract publication timeframes.

Principle 1 — was the campaign relevant to Government responsibilities?

4.11 Health's communication plan states that the Physical Activity for Young Women campaign was undertaken to fulfil part of the Australian Government's commitment to promote the health and wellbeing of the Australian public. As such, the campaign was considered relevant to

government responsibilities. All three phases of the campaign were certified by the Secretary as being used to 'disseminate scientific, medical or health and safety information'.⁶⁹

Principle 2 — was the campaign presented in an objective, fair and accessible manner, and designed to meet the objectives of the campaign?

4.12 The Physical Activity for Young Women campaign had multiple stages of concept testing to ensure that the development, messages, materials, and chosen media channels of the campaign were well informed, and would resonate with the target audience. Health used formative research, conducted in December 2015, to shape initial development of the campaign, as well as determine the viability of adapting the overseas-based 'This Girl Can' campaign to the Australian audience. Supplementary concept testing research was conducted during each phase of the campaign to ensure that the campaign objectives were being met.

4.13 Health's Principal Medical Adviser provided assurance to the Secretary by confirming the accuracy and validity of the statements used in each phase's campaign messaging.

4.14 The Physical Activity for Young Women campaign used diverse imagery, across multiple formats to reflect its multicultural target population. The campaign's master media agency identified CALD and Aboriginal and Torres Strait Islanders as priority target areas within their media strategy documents across all three phases of the campaign. Campaign messages were conveyed primarily via paid commercial testimonials, short multimedia advertisements, sponsored 'out-of-home' events and activities, and social media posting by athletes, public figures and peers within the target population.

Principle 3 — was the campaign objective and not directed at promoting party political interests?

4.15 The Secretary's certifications for each phase attested to the apolitical and objective nature of the campaign; and Health's Statements Against the Principles, which were provided to and endorsed by the Independent Communications Committee for each phase, echoed this declaration.

4.16 Consistent with paragraph 28 of the guidelines, campaign materials did not:

- (a) mention the party in Government by name;
- (b) directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposing parties or groups;
- (c) include party political slogans or images;
- (d) indicate a design to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament; or
- (e) refer or link to the web sites of politicians or political parties.

69 The Secretary's Certification for Phase 3 of the campaign was incorrectly marked as being used to 'provide information on government programs or services or revisions to programs or services to which the public are entitled'. The ANAO was advised that this was an administrative error and Phase 3 certification was intended to be marked consistently with the other phases of the campaign.

Principle 4 — was the campaign justified and undertaken in an efficient, effective and relevant manner?

The need for the campaign

4.17 The Australian Government has identified the escalating burden placed on the healthcare system, and the physical wellbeing of the public, as a result of increasing rates of overweight and obesity within the population.

4.18 In October 2015, Health began development of a 'Physical Activity and Sport Participation' communication campaign, at the request of the Minister for Health. The proposed campaign was designed to educate and engage the Australian public on the preventative benefits of a more physically active, healthier lifestyle. Health outlined to the Independent Communications Committee a plan for a long-term, multi-staged, and specific population subset targeting campaign (for example, by age, gender, and/or identified need), similar to its other public health campaigns including anti-tobacco campaigns. Health did not articulate to the Secretary or relevant Minister the scale of the intended long-term campaign.

4.19 Formative research for Phase 1 of Physical Activity for Young Women supported a campaign backed by the existing research and data. In summary, the research indicated that less than six per cent of people in the 15–17 age group within the Australian population meet their daily physical activity recommendations, and young women in this age group were twice as likely to be sedentary or less active compared to their male counterparts.⁷⁰

4.20 Evaluation research from Phase 1 of Physical Activity for Young Women stated that the campaign '...has the potential for more bursts and continued investment' and recommended that any future campaign messaging could be better shaped to drive engagement with specific aspects of the objectives, such as how to include physical activity within a daily lifestyle, or overcome barriers to participation. Health justified Phases 2 and 3 on the same basis, building on the success of the previous phase(s).

Delivering the campaign in an efficient, effective and relevant manner

4.21 Health's initial selection of the types and volume of campaign advertising was based on advice of the master media agency. Formative research for the campaign identified digital media (i.e. online and social media formats) as a priority advertising channel for the campaign's primary audience, as young women and girls were found to be most interactive with, and receptive to, these advertising mediums. Evaluations of the overall campaign indicated that amongst the primary target audience, the digital formats had been the most effective in terms of reach.

4.22 For Phase 3 of the campaign, the SDCC requested that Health consider a revised media plan with the free-to-air television component reduced or removed, and the digital and social media components maximised. After exploring the alternative media buy requested by the SDCC, the Minister for Health recommended proceeding with the original media buy and strategy to the SDCC. One of the reasons for this recommendation was that removal of television would reduce the exposure of the campaign in regional areas and for Aboriginal and Torres Strait Islander and CALD audiences. The SDCC Chair advised that the media plan without traditional television was

⁷⁰ Research also indicated that young women experience a significantly increased and more complex array of barriers to participation in sport compared to their male peers.

supported, but later agreed to reinstate television after the campaign had launched. Health then executed a revised media plan for the television component to commence a month after the launch.

4.23 Evaluations were completed for all phases of the Physical Activity for Young Women campaign including the use of paid social media influencers. Elements of the evaluation results and recommendations shaped the communication strategy for successive phases. However, a number of components of the campaign did not receive formal evaluation. This included Health's use of promotional partnerships, and the campaign events and merchandising ('below the line' materials) for each phase.

Social Media Influencers

4.24 Health used social media during all three phases of the Physical Activity for Young Women campaign. This included the creation of a dedicated Instagram account and website for the campaign, as well as the use of Facebook, Twitter, and 'other relevant platforms'. Additionally, as part of its media plan, Health engaged social media influencers to promote the campaign through social media platforms — the first Federal Government department to utilise this particular media marketing resource as part of a government advertising initiative. For the three phases of the campaign, Health engaged a total of 300 social media influencers via the master media agency and its subcontractors, and spent \$576,180 (GST included) on these influencers. Health has evaluated the use of social media influencers and found it to have 'good value for money in terms of reach and engagement compared to other channels'.⁷¹

4.25 On 20 July 2018, several news outlets incorrectly reported that Health had spent more than \$600,000 on social media influencers for the Physical Activity for Young Women campaign in an 18 month period (i.e. since early 2017). The news reports expressed concern that social media influencers were not having any impact on the behaviour of their social media followers and that these individuals were not suitable role models.⁷² In response to a media inquiry, on the same day, the Minister for Health ordered an immediate suspension on the use of all paid social media influencers within Health's campaigns. Additionally, the Minister requested that the department undertake a formal internal review of their use, and its governance processes and policies concerning the engagement and utilisation of this media resource. Details of the findings of this review are discussed from paragraph 4.45.

Campaign Events and Merchandise

4.26 During the Physical Activity for Young Women campaign, Health undertook a series of campaign sponsored promotional events and activities as part of its media buy. These included events such as the 2016 Australian Open of Surfing, and the 2017 Melbourne Colour Run, with Health providing campaign branded merchandise, as well as giveaways and promotional offers. Health advised the ANAO that it spent \$2.02 million (GST included) on 48 events and associated

71 Health reported that social media influencers achieved 2.39 million engagements at a cost per engagement of \$0.22.

72 The reports identified influencers who had received alcohol sponsorship, promoted extreme dieting or had previously made racist comments. At the time of the initial media reports, the Physical Activity for Young Women campaign had already officially concluded.

merchandise during the three phases of the campaign.⁷³ The branded merchandise included items such as calico prize bags, drink bottles, yoga mats, LED flashing rings, hats and t-shirts.

4.27 Health did not evaluate the effectiveness or value for money of campaign events or its merchandising for the campaign. However, Health did review the reach, online analytics and event attendance for some of its events and discuss options and logistics with its supplier before agreeing to commit funds for individual items.

4.28 Health arranged for specific items such as events through the master media agency. As the master media agency reports only on media placement figures to Finance for the annual report to Parliament on the government's advertising campaign expenditure, this resulted in a variance between the actual spend and the publicly reported figure. For example, during 2016–17 Health tracked total expenditure to the master media agency as \$6.3 million (excluding GST), while Finance publicly reported a total spend of \$5.3 million (excluding GST) on media placement. If paying the master media agency for anything other than media placement, this should be reported separately to Finance. In this example, Health should have reported to Finance the payments for events (approximately \$1 million excluding GST in 2016–17) as an 'other' cost.⁷⁴

Campaign Partnerships

4.29 Over the course of the Physical Activity for Young Women campaign, Health engaged in co-promotional partnerships with 16 private industry organisations and businesses, in an effort to extend the reach of the campaign. The nature of these arrangements varied from formal partnership agreements and a Memorandum of Understanding, to non-formalised reciprocal branding placement with a number of other relevant businesses. Health advised the ANAO that it spent \$73,906 (GST included) on partnerships across the three phases, including advertising related promotions on social media.

4.30 Health did not conduct evaluations of effectiveness or value for money for 15 of the 16 campaign partnerships. Health evaluated the effectiveness of one partnership that was supported by a Memorandum of Understanding.

Principle 5 — did the campaign comply with legal requirements and procurement policies and procedures?

4.31 Health sought advice from its Legal Services Branch for each phase of the campaign to ensure its compliance with Principle 5 of the campaign advertising guidelines. The legal advice confirmed the ability of Phase 1 to meet compliance with Principle 5. During Phase 2, the Legal Services Branch advised the Health Marketing Unit of a potential legal risk of non-compliance with intellectual property laws. The Legal Services Branch supported the Unit's decision not to remove logos and trademarks from campaign material, on the basis that the decision was a risk management issue for the department. Legal advice provided for Phase 3 stated that '...it is unlikely

73 This included hair braiding, roaming photo booths, nail bars, and spin-wheel giveaways at running, dance, surf and netball events.

74 Health further advised the ANAO that it considered:
'the activation budget to be part of the media placement costs and were not aware that they would not be reported in the Department of Finance's annual report on campaign expenditure 2016–17. The Department of Health did report the full media expenditure for the Girls Make Your Move campaign in their own annual report for 2016–17.'

that the Campaign Material does not comply with relevant laws including those mentioned in Principle 5 of the Guidelines’.

4.32 Health procured a range of services for the delivery of the Physical Activity for Young Women campaign, including: formative and concept testing research services; creative services; benchmarking, tracking, and evaluative research services; public relations (promotional and merchandising production) services; and media placement services through the government’s master media agency. Most procurement documentation requirements were adhered to by Health for the majority of contracts and services that were secured for the campaign. However, the ANAO did identify a number of anomalies and breaches, including: the reporting of four contracts with incorrect start dates; the publication of four of the 24 procurement contracts on AusTender outside the required 42 day time limit; and the misreporting (both date and value) of a Deed of Variation contract, which has since been clarified by a Health delegate.⁷⁵

Was the campaign evaluated to determine its effectiveness?

Each phase of the campaign was evaluated, with the phase 3 evaluation providing an overview of the entire campaign. Health did not develop performance targets until phase 3 and did not report performance against these targets in the final evaluation report. The evaluations reported high reach but there was little evidence of impact on the physical activity levels of the target audience. Phase 3 was undertaken at a cost of \$6 million, notwithstanding evaluations indicating that the campaign was unlikely to change behaviour in the short term.

4.33 Benchmarking was completed for the Physical Activity for Young Women campaign in February 2016. Health’s stated objectives for the campaign were broadly split into four categories, centred on fostering positive behaviours, awareness, attitudes and intentions with respect to physical activity and sport amongst young women and girls, but no performance targets were set. These objectives were a subset of an overarching goal for the campaign, which Health clarified as follows:

The desired outcome of the ‘Girls – Make Your Move’ campaign is to produce a measurable increase in the proportion of girls and young women engaging in physical activity and intending. Success for this campaign in the short term may be measured in terms of increased participation in organised and non-organised sport, and an increase in physical activity levels as monitored by the ABS [Australian Bureau of Statistics] National Health Survey.

Longer term success may be measured in terms a reduction or levelling in risk factors such as overweight and obesity and non-communicable disease that include physical activity as a protective measure.⁷⁶

4.34 The Phase 1 evaluation was completed in April 2016, with the report concluding that ‘strong results for cut-through and call-to-action point to the effectiveness of the “Girls Make Your Move” campaign, among both the key audience and wider audiences’. Supporting this statement, the

⁷⁵ Deed of Variation number 1 with the research services supplier was incorrectly submitted as a new contract on AusTender during Phase 1, rather than as an amendment to the original contract. Deed of Variation number 2 was then submitted as the first amendment (although also with an incorrect contract value); which was later resubmitted as the second contract amendment with the final correct contract value. The incorrect report from Phase 1 remains in the AusTender database.

⁷⁶ Department of Health, *Policy Position – January 2016: Physical Activity in Australia*, 28 January 2016, p. 10.

evaluation identified an 82 per cent reach amongst 12–19 year old girls in the sample and 86 per cent of 15–18 year olds. The majority of girls who were exposed to the campaign responding positively to the advertisements. Of the 82 per cent of young women and girls who recalled the campaign materials, 23 per cent advised that they had actually increased their current physical activity levels as a result of seeing the campaign.

4.35 The Phase 1 evaluation noted that:

While the overriding objective of the campaign is to promote behavioural change, it is recognised that one burst of media activity is unlikely to have a significant and long lasting impact on behaviour. Therefore, while key behaviours are measured and monitored for change in this evaluation, they are not specific KPIs for this campaign. Analysis of the campaign's impact on intentions and behaviour should be considered as long-term objectives.

Effectiveness of the campaign should focus on campaign recall and on any early attitudinal and awareness/knowledge impact/s, especially among the primary target audiences.⁷⁷

4.36 The Phase 2 evaluation was completed in May 2017, with the report concluding that 'most of the campaign measures have been maintained or improved' since Phase 1. The report noted that reach sustained at 83 per cent amongst the primary audience. Phase 2 saw a decline in positive responses to some of the key messages of the campaign materials amongst the primary audience. For example, agreement with the statement 'there is a type of physical activity/sport to suit everyone' decreased by four per cent from the benchmark, and 'it is important for girls/women my age to be physically active' decreased by three per cent from the benchmark.

4.37 Similar to Phase 1, the Phase 2 evaluation also noted that 'two bursts of media activity' was unlikely to have a significant and long lasting impact on behaviour. Phase 3 was undertaken at a cost of over \$6 million (including GST) was initiated notwithstanding these evaluation outcomes.

4.38 The Phase 3 evaluation of the Physical Activity for Young Women campaign was completed in June 2018. It was specifically tailored to provide an evaluative overview of the entire campaign, by examining and measuring changes in specific key metrics over time.

4.39 A key performance indicator (KPI) framework outlining the campaign measures was developed for Phase 3. However, KPIs were not given specific measurable targets against which overall performance could be evaluated. Health had identified other KPIs with specific, measurable targets for the master media agency within their Phase 3 planning documentation; but these KPIs were not consistent with those that were assessed within the final evaluation report.

4.40 The Phase 3 evaluation report concluded that the phase 'was moderately effective overall', on the basis that the campaign had sustained good performance across several elements of the key communication objectives that had been established in benchmarking (such as continued increases in positive perceptions of campaign messages).

4.41 The results of the Phase 3 evaluation report and campaign overview clearly indicate that the majority of the campaign's key performance indicators did not significantly deviate, positively or negatively, from the baseline benchmarking results. Most notably, the campaign did not produce evidence that it had achieved, or meaningfully progressed towards achieving, the overall campaign objective of increasing physical activity amongst its primary audience. Data from the Phase 3

⁷⁷ GfK Australia, *Evaluation of the 2016 'Girls Make Your Move' Physical Activity for Young Women Campaign*, 11 August 2016, p. 8.

evaluation did suggest that exposure to the campaign helped to sustain physical activity levels amongst young women and girls, compared to their peers who had not seen the campaign.

4.42 To effectively evaluate the performance of advertising campaigns against stated objective(s), the Department of Health should set clear and measureable performance targets for its long-term public health advertising campaigns, and report against the targets in the interim.

Recommendation no.9

4.43 The Department of Health set clear and measureable performance targets for short and long-term advertising campaigns and report against the targets.

Department of Health: Agreed.

4.44 *The department will update the campaign management guidelines to include the requirement for all advertising campaigns implemented by the department to have clear and measurable performance targets for short and long term advertising campaigns in line with the behaviour change communication model and the whole of government campaign evaluation framework and will report against the targets.*

Health's internal review of its use of Social Media Influencers

4.45 In July 2018, at the request of the Minister for Health, an internal review of Health's use of paid social media influencers within advertising campaigns was undertaken. The findings of this review identified a significant number of gaps in Health's management, oversight and utilisation of this particular media option, including:

- an over-reliance on external suppliers to provide the appropriate risk-management, governance, and vetting processes for social media influencers;
- a lack of formal and consistent policy and governance documentation within Health, and between advertising campaigns, concerning the management and utilisation of social media influencers;
- inconsistent and unstructured monitoring of social media influencer posts and content, relying heavily on the monitoring and evaluation provided by external suppliers;
- inability to properly articulate the clear purpose and value of social media influencers within departmental frameworks, instead relying on external suppliers to provide input on the value of using social media influencers; and
- being unable to clearly establish the value and overall impact of the use of this media option in hindsight, due to not establishing clear performance indicators or success measures prior to the engagement of the influencers, and having evaluation reports completed by the external suppliers.

4.46 In February 2018, during planning for Phase 3, Health assured the SDCC that:

In order to achieve an optimal influencer strategy in phase three, it is recommended that a dedicated resource within the Dentsu X [master media agency] marketing specialist team is engaged to ensure that a detailed and sophisticated vetting process is applied to all content. This dedicated resource will also be in place to streamline approval processes from talent management and Department of Health marketing teams, so that opportunities are available to be leveraged

and taken full advantage of during the campaign period. The dedicated resource will also facilitate the social moderation and community management.⁷⁸

4.47 The office of the Assistant Minister for Finance subsequently queried the steps Health took to ensure appropriate social media influencer vetting and assurance processes. A Health delegate explained that this dedicated resource was not engaged, despite contacting the master media agency ‘numerous times’ to organise it.

4.48 The internal review was completed in September 2018, after the announcement of the ban on the use of paid social media influencers within government advertising campaigns (as discussed from paragraph 2.65). The review included a set of recommendations should influencers be allowed to appear in government campaigns in the future. The recommendations included for:

- (a) Health to develop guidance material to outline minimum requirements for the engagement and use of social media influencers, including articulating fully the responsibilities of campaign teams and external suppliers to undertake due diligence, risk and value management of influencers;
- (b) Health to ensure that monitoring and reporting requirements are commensurate with the risk profile of the campaign and the social media influencer; and
- (c) Health to provide advice to the rest of the portfolio on the broader implications of the government’s decision to ban the use of paid social media influencers.

4.49 Health agreed to all recommendations of the report. As of 30 October 2018, Health had developed a series of templates, policies and governance documents to guide the future use of social media influencers, if approved.

78 Email from Finance to Health, 20 July 2018.

5. The National Child Care Plan campaign

Areas examined

This chapter provides an overview of the National Child Care Plan campaign, and examines the Department of Education and Training's (Education's)^a processes for review and certification, compliance with the guidelines, and evaluation of the campaign's effectiveness.

Conclusion

Education undertook the required review and certification processes for the National Child Care Plan campaign. Education adhered to Principles 1 to 4 of the guidelines and left a clear audit trail. There is scope to improve compliance with Principle 5, as not all procurement requirements were satisfied. Education evaluated the campaign and found it to be effective, although the evaluations did not report against the performance targets set for the campaign.

Areas for improvement

The ANAO has made one recommendation aimed at reporting against the performance targets set for a campaign.

Note a: The department was renamed the Department of Education following changes to the Administrative Arrangements Order on 29 May 2019.

Campaign overview

5.1 On 17 November 2013, the Australian Government asked the Productivity Commission to conduct a public inquiry into future options for childcare and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. The Productivity Commission's report, released in February 2015, found that early childhood education and care arrangements were complex and costly to administer as well as difficult for parents and providers to navigate. The report was a key input into the Government's new package for families.⁷⁹

5.2 In May 2015, the Australian Government announced childcare reforms in the 2015–16 Budget.⁸⁰ At the time of the 2015–16 Budget announcement, the Australian Government agreed funding of \$16.54 million (excluding GST) over three years for a campaign to inform parents about the proposed changes that would make the child care system simpler, more affordable, more accessible, and more flexible.

5.3 As a result of a 21 September 2015 Administrative Arrangements Order, and November 2015 Machinery of Government changes, child care functions transferred from the Department of Social Services (Social Services) to the Department of Education and Training (Education). Education was subsequently responsible for administering the campaign. The department was renamed the Department of Education following changes to the Administrative Arrangements Order on 29 May 2019.

79 S Morrison, (Minister for Social Services), 'Government Releases Productivity Commission Inquiry into Child Care and Early Childhood Learning', media release, Canberra, 20 February 2015, available at <https://formerministers.dss.gov.au/15967/government-releases-productivity-commission-inquiry-into-child-care-and-early-childhood-learning/> [accessed 19 February 2019].

80 The reforms would take effect from 1 July 2017. Budget 2015–16 is available at <https://budget.gov.au/2015-16/content/glossy/families/html/families-02.htm> [accessed 19 February 2019].

5.4 On 2 December 2015, the Australian Government introduced new legislation to the Parliament — the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015. However, the Senate rejected the Family Tax Benefit reforms required to fund the childcare package. Consequently, as part of the 2016–17 Budget, the Australian Government announced deferral of the full implementation of the package (until July 2018).

5.5 Following the 2016 Federal Election, the Australian Government reintroduced the legislation to Parliament on 1 September 2016.⁸¹ Both Houses passed the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016 on 27 March 2017, and the legislation received Royal Assent on 4 April 2017.

5.6 The development of a new campaign to advertise the New Child Care Package was first raised with the Australian Government on 12 July 2015, and developmental research was agreed on 28 July 2015. Following the decision to defer the Child Care Package pending legislative change (announced on 3 May 2016), the Australian Government considered and approved a supplementary round of developmental research for the campaign on 18 April 2017.

5.7 The campaign was subject to the 2014 *Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities*. Key elements of the National Child Care Plan campaign are summarised in Table 5.1.

Table 5.1: Summary of the National Child Care Plan campaign

Campaign summary	
Objectives	<p>Overarching campaign objectives:</p> <ul style="list-style-type: none"> raise awareness of the new Child Care package, and how the reforms will affect parents and service providers; inform parents and parents-to-be of key dates and eligibility criteria; and encourage target audiences to seek further information.
Timing	<p>Phase 1 — Awareness raising: 12 November to 23 December 2017.</p> <p>Phase 2 — Transition: 8 April to 30 June 2018 (with television advertising concluding on 5 May 2018).</p>
Target audience	Parents with children aged 0 to 12 years who use, or are planning to use, formal or informal child care services; people who are considering starting a family in the next two years; and, child care service providers (metropolitan, regional and remote areas).
Media channels	The campaign employed television, radio, search engine marketing, digital display and mobile, social media advertising, Out of Home (for example, billboards), and cinema, as well as channels to reach Aboriginal and Torres Strait Islanders and culturally and linguistically diverse (CALD) Australians.
Total campaign budget (excl. GST)	\$16.5 million, equivalent to \$18.2 million (including GST).
Total campaign expenditure (inc. GST)	\$17.5 million.

81 Introduced with the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016.

Campaign summary	
Media expenditure (inc. GST)	Media placement: \$12.3 million (Phase 1: \$5.1 million; Phase 2: \$7.2 million).
Supplier expenditure (inc. GST)	Creative agency: \$2.0 million; Public relations: \$1.3 million; Research: \$0.7 million; Benchmarking, tracking and evaluation: \$0.5 million; Aboriginal and Torres Strait Islander specific communications: \$0.3 million; and CALD specific communications: \$0.3 million.

Source: ANAO analysis of Education documentation.

Campaign development and approval

5.8 In April 2015, the Australian Government endorsed the need for a communication campaign. To inform the campaign, the Department of Social Services commissioned developmental research and concept testing services in August 2015. The service provider presented its report in October 2015. In December, Social Services issued requests for quotes⁸², which it withdrew following the 2016–17 Budget announcement of the delayed implementation of the Package. Social Services transferred the developmental research contract and funding (minus the payments already paid to the contractor) to Education in December 2015. The campaign was then put on hold.

5.9 Before recommencing the campaign in 2017, Education advised the Minister for Education and Training that the Department of Finance (Finance) had confirmed the ongoing validity of the 2015 developmental research for the campaign. The Minister approved progressing the campaign in January 2017. Education received updated concept testing research and recommendations for the campaign in August 2017, and published the 2015 developmental research on its website in 2018.⁸³

5.10 The Service Delivery and Coordination Committee (SDCC) of Cabinet was involved eight times in campaign development and approval, before and after the campaign transferred to Education. The Committee considered the campaign approach and timeline, shortlisted and refined creative concepts and selected the creative agency, approved the media plan and reviewed final creative materials.

Were the necessary review, certification and publication requirements undertaken?

Education undertook the necessary review, certification and publication requirements for the National Child Care Plan campaign. The Independent Communications Committee reviewed the two campaign phases together. The Secretary's certification was aided by a thorough briefing pack, including a checklist developed by the department to ensure compliance with the guidelines.

82 The requests for quotes were to engage a creative agency, public relations agency, Indigenous communication specialist, CALD communication specialist, and a benchmarking, tracking and evaluation research company.

83 Education advised the ANAO that other research reports were not made publicly available as 'they contain opinion, advice and recommendations which were part of the deliberative processes of government'.

Review by the Independent Communications Committee

5.11 The Independent Communications Committee first considered the campaign in 2015 before the 2016–17 Budget announcement. The Committee met again on 31 May 2017 to consider both phases of the recommenced campaign. The Committee concluded that the proposed campaign was capable of complying with Principles 1 to 4 of the guidelines.

Secretary's certification

5.12 Education's campaign officers provided the departmental Secretary with a comprehensive briefing pack that included a campaign chronology and completed campaign development checklist, detailed verification of campaign statements in multiple media channels, verification of the budget, legal advice, AusTender information, and the refinement testing report. This approach reflected better practice in briefing a chief executive on compliance with the guidelines.

5.13 Taking into consideration the report of the Independent Communications Committee, and advice and evidence provided by Education officials, the Secretary certified Phase 1. Education provided the Secretary's certification to the Minister on 9 November 2017, three days before the campaign started. Education's Acting Secretary certified Phase 2, and the certification was provided to the Minister one day after the launch.

Publication processes

5.14 For Phase 1 and 2, Education ensured certification statements were published on its website when the campaign was launched. Finance published the conclusion of the Independent Communications Committee on its website in November 2017, after the campaign launched. Education published details of the advertising campaign in its 2017–18 Annual Report, as required.

Were the principles of the framework adhered to?

The campaign was: relevant to government responsibilities; presented in an objective and accessible manner; and campaign messaging was not directed at promoting party political interests. The campaign justification was that it communicated changed administrative and financial arrangements directly affecting families, and policy changes requiring families to take action to update their personal details. Education adopted the recommended media plan which advised on how to achieve efficient and effective reach for the campaign. Education sought advice on compliance with legal requirements and largely complied with procurement requirements for the campaign.

Principle 1 — was the campaign relevant to Government responsibilities?

5.15 Both of Education's Certification Statements establish the campaign's relevance to government responsibilities through its relationship with legislation. Education's Phase 2 Certification Statement also claimed that the campaign relates directly to an appropriation of the Parliament and a Cabinet decision.

5.16 The Jobs for Families Child Care Package was announced in the 2015–16 Federal Budget. The campaign is relevant to the *Family Assistance Legislation Amendment (Jobs and Families Child Care Package) Act 2017*, which Parliament enacted on 4 April 2017. The campaign's focus was on

informing the public of new policies and providing information on programs or services to which the public is entitled under new legislation.

Principle 2 — was the campaign presented in an objective, fair and accessible manner, and designed to meet the objectives of the campaign?

5.17 Principle 2 of the guidelines includes that where information is presented as a fact, it should be accurate and verifiable. Education reviewed campaign materials and presented the Secretary with evidence of the accuracy of campaign statements. The ANAO's review of the factual basis for campaign statements identified three minor deficiencies with the completeness of verification.

5.18 To present the campaign, Education chose imagery of children from diverse cultural backgrounds and age groups in a variety of metropolitan and rural settings. Figure 5.1 shows some examples of press advertisements from the campaign.

Figure 5.1: Example of press advertisements used in the National Child Care Plan campaign



Source: Department of Education and Training.

5.19 Education sought to meet the needs of Aboriginal and Torres Strait Islander Australians by adapting mainstream advertising, and testing the visual design and content of draft resources with the help of an Indigenous-specific communications provider. The provider paid Indigenous social

media influencers to share approved information, based on research evidence that this is an effective way to reach Indigenous audiences in 'niche' social media realms. Education sought to meet the needs of those for whom English is 'not a convenient language' by producing translated posters and brochures in six languages⁸⁴, and radio advertisements in ten languages. Education sought to reach remote, rural and regional audiences through regional media channels.

5.20 Education tested the campaigns with target audiences and found them to be engaging and to have met the campaign objectives.

Principle 3 — was the campaign objective and not directed at promoting party political interests?

5.21 Education's statement of compliance advised the Secretary that market research informed the language used in campaign material, including specific testing to ensure the public did not perceive materials as being political in nature.

5.22 As required by paragraph 28 of the guidelines, the campaign materials did not:

- (a) mention the party in Government by name;
- (b) directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposing parties or groups;
- (c) include party political slogans or images;
- (d) indicate a design to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament; or
- (e) refer or link to the web sites of politicians or political parties.

Principle 4 — was the campaign justified and undertaken in an efficient, effective and relevant manner?

The need for the campaign

5.23 Changes in the Child Care Package arising from new legislation affected the way that families received child care subsidies, as well as the amount they could receive. Education commissioned research (undertaken in late 2015, and again in May 2017 once the campaign was restarted) to test the need for a campaign to communicate the changes that affected the interests of recipients. Research supported the need for a national communication campaign to raise awareness about these changes, and ensure families understood what they needed to do and where to go for information.

Delivering the campaign in an efficient, effective and relevant manner

5.24 Principle 4 provides that the medium and volume of the advertising activities should be cost effective and justifiable within the budget allocated to the campaign. Research and the 'best practice' recommendations of the master media agency informed the mix of television, radio, print and digital advertising channels. The recommended media plan considered how best to reach the target audience, and considered value for money issues (such as the percentage of television advertising to purchase at off peak times, the popularity of search terms and maximum reach into the target audience). Education engaged a public relations agency to extend the campaign's

84 The languages were Simplified Chinese, Vietnamese, Arabic, Traditional Chinese, Korean and Dari.

messages, and the campaign was also advertised on a separate website and via social media channels.

Principle 5 — did the campaign comply with legal requirements and procurement policies and procedures?

5.25 Under the campaign advertising guidelines, Education is responsible for providing a report to its Secretary on campaign compliance with Principle 5 of the guidelines. The Secretary's Instructions also require officials to seek legal advice from the internal legal area when a spending proposal is greater than \$1 million. Education's legal officers provided an initial 14-page advice to campaign officials about the New Child Care Package communication campaign's compliance with Principle 5. This advice indicated a need for campaign officials to resolve problems with consent forms for children featured in the advertisements, content in one brochure, music licensing and one sub-contracting arrangement. By 1 November 2017, Education advised the Secretary it had addressed these issues. Comprehensive internal legal advice was also provided on 13 March 2018, confirming compliance of Phase 2 of the campaign with Principle 5.

5.26 The ANAO found a clear audit trail for Education's decisions around the commissioning of services and the employment of suppliers for the campaign. Education adhered to the relevant Secretary's Instructions by documenting approvals and using mandated whole-of-government arrangements. However, Education did not create contract management plans, as stipulated in the Secretary's Instructions. The campaign team also sought and obtained clearance from its Procurement Services team — that procurements were carried out in line with legislative and procurement policies — before Phase 2 of the campaign launched. Education was unable to provide a complete documentary record of approvals for one market research contract.

5.27 Education adhered to the Secretary's Instructions by reporting contracts on AusTender. The majority of AusTender reporting was accurate and timely but the ANAO found some inaccuracies with reported contract start and end dates, which were rectified by Education during the audit. Until the audit, Education had not reported a decrease of \$176,459 in the value of the public relations contract (equivalent to 10.7 per cent of the contract). While not explicitly a requirement of the Commonwealth Procurement Rules, reporting such a decrease would align to the transparency objectives of AusTender reporting. During the audit, on 18 March 2019, Education updated AusTender to reflect the decrease in value of the public relations contract.

Was the campaign evaluated to determine its effectiveness?

The department closely monitored traffic to the campaign website and media channel performance to assess effectiveness, and reported positive results for the campaign. Education evaluated the campaign, but in the absence of specific performance targets for public awareness, transition, webpage traffic and stakeholder activity, there is no basis to fully evaluate the success of the campaign.

5.28 Education conducted evaluation activities during the campaign and after it ended. As the campaign progressed, Education monitored traffic to the campaign website as well as responses to the call to action for parents to provide new and updated information to Centrelink. This monitoring enabled Education to assess the effectiveness of the campaign, as well as justify a change to channel expenditure. In its May 2018 brief to the Minister, Education advised that radio had been the most

effective channel and had been more cost effective than television. As a result, the Minister approved funding for an additional burst of radio advertising.

5.29 To evaluate the overall effectiveness of the advertising activities, Education relied on contracted suppliers to evaluate and report on their specific activities. For example, Education received reports on the performance of Indigenous-specific communications, communication with culturally and linguistically diverse audiences, and social media. While the detail of these evaluations varied, they enabled Education to understand the performance of the campaign and respond to problems, like misaligned expectations with providers and short lead times for social media.

5.30 Education used its own evaluation and individual supplier evaluations (as discussed above) to produce a summary report of campaign performance at the end of Phase 2. In this report, the evaluation of Phase 1 indicated that the advertising campaign had performed well in driving a strong call to action and communicating 'on-target' messages. Education substantiated this by focussing on total views of the campaign page and estimator page.⁸⁵ In May 2017, Education predicted it would achieve 98 per cent reach of the audience for Phase 1. Education's evaluation of Phase 1 did not address what percentage of its audience the campaign actually reached.

5.31 Education's evaluation of Phase 2 similarly did not address whether it achieved the expected 83 per cent reach. Education's evaluation focused on positive results:

- awareness of the changes increased from 25 per cent to 58 per cent;
- over 1 million families transitioned to the new subsidy by providing new information and updating their details on MyGov;
- there was a significant rise in traffic to the department's campaign webpage with 842,052 unique page views to the campaign webpage from 8 April–30 June; and
- there was a steady increase over time in the proportion of stakeholders who had seen or heard media reports about the child care system — from the Phase 1 benchmark of 65 per cent to 94 per cent in Phase 2.

5.32 In the absence of departmental reporting against the specific performance targets set for public awareness, transition, webpage traffic and stakeholder activity, there is no basis to fully evaluate the success of the campaign.

5.33 To effectively evaluate the performance of future advertising campaigns, the department should report against the performance targets it has set.

⁸⁵ As at 31 January 2018, a total of 659,547 page views to the campaign's landing page and 463,442 page views to the childcare estimator page were recorded since Phase 1 advertising commenced.

Recommendation no.10

5.34 The Department of Education report against the performance targets it has set for its advertising campaigns.

Department of Education response: *Agreed.*



Grant Hehir
Auditor-General

Canberra ACT
26 August 2019

Appendices

Appendix 1 Entity responses



Australian Government Department of Finance

Rosemary Huxtable PSM
Secretary

Our Ref: EC19-000601

Mr Grant Hehir
Auditor-General
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Hehir

I refer to the Australian National Audit Office's (ANAO's) correspondence of 26 June 2019 providing the proposed Audit Report, *Government Advertising: June 2015 to April 2019* (the Report), pursuant to section 19 of the *Auditor-General Act 1997*.

The Department of Finance (Finance) notes that the audit criteria included consideration of whether the department has effectively administered the Government's campaign advertising framework (the framework). Finance welcomes the Report and the opportunity to reflect upon the Government's framework and related matters of administration, noting that the policy underpinning the framework is a matter for Government.

Finance's summary response to the report is:

Finance welcomes the conclusion that it has been largely effective in its administration of the Government's campaign advertising framework, including proactively managing brand safety risks, and providing strong support and advice to the Independent Communications Committee, and entities conducting campaigns.

Finance notes Recommendations 1, 2, 4 and 6 which are policy matters for consideration by Government. Finance partially agrees to Recommendation 3, reflecting that a high level of transparency is already achieved through the current format of annual reporting on campaign expenditure.

Finance's response to Recommendation 1, 2, 4 and 6 is:

Noted. Recommendations 1, 2, 4 and 6 relate to policies that underpin the Government's campaign advertising framework. Finance will brief the Government on the ANAO's findings and recommendations.

One Canberra Avenue, Forrest ACT 2603 • Telephone 02 6215 3445
Internet www.finance.gov.au

Finance's response to Recommendation 3 is:

Partially agreed. Finance is committed to the ongoing transparency of campaign expenditure reporting. Noting that media spend, consultants, services and other input costs are already itemised for all campaigns above the value of \$250,000 in its reporting, Finance will seek to improve the presentation of this information at an aggregate level in future reports.

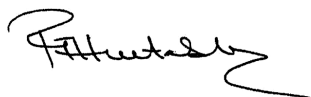
Finance does not accept the ANAO's analysis that annual campaign expenditure reporting to Parliament has only captured a proportion of total expenditure. Media spend, consultants, services and other input costs are fully itemised in its annual campaign advertising reports for each campaign.

Finance notes the ANAO's suggestion to include the Goods and Services Tax (GST) component in reporting, but considers it appropriate to continue the longstanding practice of reporting on campaign expenditure exclusive of GST. This provides clear alignment to Budget measures, financial statements and other Budget documents (which also exclude GST).

In relation to part (b) of the Recommendation, Finance notes that its annual reporting on campaign expenditure presents the total costs of all campaigns conducted by individual non-corporate Commonwealth entities, including the Australian Electoral Commission (AEC). Finance will consider whether the presentation of information about the costs of the AEC's expenditure on electoral campaigns could be improved.

Thank you for the opportunity to respond to the matters raised in the report.

Yours sincerely



Rosemary Huxtable
Secretary

25 July 2019



Australian Government

Department of the Environment and Energy

**Finn Pratt AO PSM
Secretary**

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2600

Dear Mr Hehir

Thank you for providing the proposed audit report on Government Advertising:
June 2015 to April 2019.

Pursuant to section 19 of the *Auditor-General Act 1997*, the Department has prepared a response to the report in this letter, focused on the recommendations relevant to the Powering Forward campaign. As also required, the Department has separately provided a short summary response and specific responses to recommendations 5, 7 and 8.

The Department notes the findings of the proposed report relating to procurement and administrative processes. As you know, the Department reviewed its processes during the Powering Forward campaign, and I welcome the ANAO's acknowledgement of the improvements we made.

The Department disagrees with the findings that relate to the accuracy of campaign statements. The Department went to significant effort to demonstrate to Audit Office staff the complex and detailed analysis that underpinned the campaign. As the chief executive, I was satisfied with the level of briefing provided to me in order to certify the campaign's compliance with the guidelines. I trust that my staff undertook due diligence in their advice to me. As the ANAO notes, there is no prescribed form of briefing required by the guidelines and I am confident that the current requirements have been met.^a

The Department does not agree with the analysis of the campaign's evaluation results. Contrary to the ANAO's interpretation, independent evaluation results demonstrate that the campaign met all of its key objectives. The campaign built strong recognition, delivered clear messaging about better electricity deals, and encouraged people to take action.^b

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The Department applied what it had learned from the evaluation of earlier phases to deliver a successful campaign. The campaign saw 63 per cent of viewers taking at least one action directly as a result of seeing the advertising, with almost one in four contacting an energy provider to request a better deal – equating to around 700,000 households. This strong result far exceeds usual government advertising benchmarks. It is further supported with the recent release of the Australian Energy Market Commission's 2019 annual retail competition review, which notes that households switching energy retailers has hit a record high of 24.4 per cent.

Thank you again for undertaking this review.

Yours sincerely



Finn Pratt

18 July 2019

ANAO comment on Department of the Environment and Energy response

- (a) See discussion in paragraphs 3.28–3.32.
- (b) See discussion in paragraphs 3.63–3.77.



Australian Government

Department of Health

Secretary

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Hehir

**Department of Health response to the Proposed Audit Report – Government
Advertising: June 2015 to April 2019**

Thank you for providing the Australian National Audit's Office's (ANAO) proposed report under section 19 of the *Auditor General Act 1997* on Government Advertising which included the review of the Physical Activity for Young Women campaign implemented by the Department of Health (the department). I appreciate the opportunity to respond to the report. A detailed response to the individual recommendation and findings is enclosed.

The following wording is provided for the Summary response:

The Department of Health (the department) welcomes the findings in the report for the Physical Activity for Young Women campaign and agrees with recommendation 9 which relates to the department setting clear and measurable performance targets for short and long-term advertising campaigns and report against the targets.

The audit found whilst the campaign had attitudinal, behavioural, awareness and intentional objectives for all three phases of the campaign, to effectively evaluate the performance of advertising campaigns against stated objectives, the department should set clear and measurable performance targets and report against them. The department will continue to build on the short and long term objectives with clear performance targets for campaigns in line with the behavioural change model for communication campaigns and the whole of government campaign evaluation framework. The department will report against the targets.

Phone: (02) 6289 8400 Email: Glenys.Beauchamp@health.gov.au
Scarborough House, Level 14, Atlantic Street, Woden ACT 2606 - GPO Box 9848 Canberra ACT 2601 - www.health.gov.au

- 2 -

In addition, the report states the department did not formally evaluate the events, merchandise and partnerships for the campaign. Formal evaluation of these activities sits outside the scope of the evaluation framework. However the master media buying agency provided a report on the performance of the events. The department conducted and documented an internal analysis of their performance which incorporated website analytics, social media metrics, the use of the campaign hashtag, event reach and attendance, distribution numbers and media coverage to determine value for money and effectiveness in engaging young women.

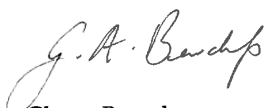
The ANAO report states the campaign adhered to principles 1 to 3 and largely with principle 5 of the guidelines. The department attained letters from the Independent Communication Committee (ICC) for each phase of the campaign stating it is capable of complying with principle 1-4 of the guidelines. The department used the evaluation research from each phase and existing research and data on physical activity levels in Australia to demonstrate the need for each phase of the campaign. The documented evidence provided for ICC consideration formed the basis of certification of the campaign against the principles, including principle 4.

The department notes recommendation 3 by the ANAO relating to the financial reporting of campaign expenditure by the Department of Finance. The Department of Finance is provided these figures directly from the master media buying agency without any oversight from the department. The department can confirm the figures reported in the annual report are the gross media buy value only and not the total media buy expenditure.

I would like to thank the Australian National Audit Office for its professionalism throughout the audit.

If you have any questions regarding the department's response please contact Narelle Smith, Assistant Secretary, Corporate Assurance Branch on (02) 6289 5342.

Yours sincerely



Glenys Beauchamp

23 July 2019

ANAO comment on Department of Health response

As discussed in paragraphs 4.26 to 4.30, the internal analysis by Health on events, merchandise and partnerships did not conclude on the effectiveness or the value for money for conducting these activities.



Australian Government
Department of Education

Our Ref: EC19-003221

Secretary
Dr Michele Bruniges AM

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Grant
Dear Mr Hehir

Performance audit: Government Advertising: June 2015 to April 2019

Thank you for the opportunity to provide comments on the proposed audit report on the Government Advertising: June 2015 to April 2019. The Department of Education ('the department') recognises the need for an effective Australian Government campaign advertising framework and the department's administration of campaigns within the framework's guidelines.

The department's summary response to the proposed report is below:

The department welcomes the report and will use the findings and observations in the report to continue to strengthen our compliance with all aspects of the information and advertising campaign principles for future campaigns.

The department agrees with the ANAO's recommendation and notes the positive findings, including that the department's briefing package to the Secretary reflects a better practice example of supporting the chief executive on compliance with the guidelines.

The department is committed to ensuring that its administration of future advertising campaigns addresses the recommendation. Additional procedures that focus on reporting against set performance targets have been included in our advertising campaign compliance processes.

I would like to express my appreciation for the professional approach taken by your audit team and acknowledge the collaboration between both entities.

Opportunity through learning

50 Marcus Clarke Street, Canberra ACT 2601
GPO Box 9880, Canberra ACT 2601 | Phone 1300 566 046

If you would like further information on the department's response, please contact [REDACTED], Group Manager, People, Parliamentary and Communication Group on [REDACTED].

Yours sincerely

Michele Bruniges

Dr Michele Bruniges AM
22 July 2019

Independent Communications Committee

Mr Grant Hehir
Auditor General
GPO Box 707
Canberra ACT 2601
AUSTRALIA

Dear Mr Hehir

Re: Proposed Audit Report, *Government Advertising: June 2015 to April 2019*

Thank you for the opportunity review an extract of the proposed audit report, provided to the ICC under section 19 of the *Auditor-General Act 1997*. The Independent Communications Committee (ICC) notes that it has undertaken its role within the scope of the Terms of Reference, which are set by Government. Noting this, the ICC is concerned that the audit report is framed in a negative light regarding the value that the Committee provides.

The conclusion reached in relation to the ICC is that: “...*the third party compliance advisory process does not help [emphasis added] chief executives determine that a campaign complies with the guidelines, as third party review happens early in the campaign development process*” (p.21 of the extract refers).

As you are aware, under the campaign advertising framework, Chief Executives must satisfy themselves of compliance with the Government’s Advertising Guidelines, informed by the views of the ICC.

The ANAO’s own analysis of data in footnote 29 (p.29 of the extract) illustrates that on more than a quarter of occasions, the ICC sought: amendments to supporting compliance documentation; further advice on the funding or legislative basis for a campaign; substantial revision to the supporting documents; or further development of the campaign by the responsible entity.

Noting the ANAO’s own analysis in footnote 29, the ICC considers that its advice and feedback clearly does add value to Chief Executives’ confidence in determining that campaigns comply with the Guidelines.

The Committee considers that there would be benefit in the content of footnote 29 being elevated to the body of the report, to illustrate the work that has been undertaken by the ICC to raise and address compliance issues at an early stage in campaign development.

Further, we are strongly of the view that the overall conclusion on the value of third-party compliance advisory support should be adjusted. Specifically, the ICC believes that the conclusion should more accurately reflect (as borne out by the ANAO’s own analysis) that the ICC has been effective in appropriately canvassing compliance issues relating to campaign proposals.

Yours sincerely



Chris Faulks
Acting Chair
Independent Communications Committee

24 July 2019

*c/o ICC Secretariat: Communications Advice Branch,
Department of Finance
One Canberra Avenue, Forrest ACT 2600*

ANAO comment on Independent Communications Committee response

Footnote 29 referred to by the Independent Communications Committee is footnote 32 in this report.



THE HON ANGUS TAYLOR MP
MINISTER FOR ENERGY AND EMISSIONS REDUCTION

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2600

Dear Mr Hehir

Thank you for providing an extract from the proposed audit report on *Government Advertising: June 2015 to April 2019* in relation to ministerial media statements.

I note the ANAO's view that ministerial media releases associated with campaigns should be subject to the approval and certification processes that apply to campaign materials.

It is the longstanding practice of successive governments to tell Australians, in plain language, what the Government is doing to improve their lives. The suggestion that any ministerial media release should be subject to the equivalent bureaucratic approval applying to campaign materials is both impractical and, in my view, highly inappropriate.

Table 3.2 provided in your proposed report extract clearly demonstrates how, in fact, the language of the campaign materials was carefully chosen to avoid language that could be construed as political.

I am confident that the existing processes ensure adequate campaign compliance with the guidelines, including through the scrutiny of the Independent Communications Committee.

The 'make the call' Powering Forward campaign has helped a record numbers of Australians take matters into their own hands and move onto a cheaper electricity deal in the past year.

I will not apologise for empowering Australians to bring their costs of living down.

Yours sincerely

A handwritten signature in black ink that reads "Angus Taylor".

ANGUS TAYLOR

30 JUL 2019

Parliament House Canberra ACT 2600 Telephone (02) 6277 7120

Appendix 2 Advertising campaigns greater than \$250,000 in the market from July 2018 to April 2019

Table A.1: Advertising campaigns greater than \$250,000 in the market from July 2018 to April 2019

Entity	Campaign [time in market, week commencing]	Approved budget (\$m, excl GST)	Independent Communications Committee review	SDCC review (Total No.)	Continued into Caretaker ^a
Australian Electoral Commission	Stop and Consider (electoral disinformation) [14 Apr 19 to 12 May 19]	-	N/A	N/A	N/A
	2019 Federal Election [7 Apr 19 to 12 May 19]	-	N/A	N/A	N/A
Australian Taxation Office	Taxable Payments Reporting System [25 Nov 18 to 23 June 19]	0.6	✓	5	✓
	Phoenix [3 Feb 19 to 7 Apr 19]	0.1	✓	N/A	-
Department of Communications and the Arts	National Online Safety [10 Mar 19 to 23 Jun 19]	9.4	✓	5	✓
Department of Defence	Defence Force Recruiting media plan 2018–19 [1 Jul 18 to 30 Jun 19]	44.5	✓	1	✓
Department of Education	Quality Schools Reform Phase 3 [27 Jan 19 to 7 Apr 19]	11.5	✓	8	✗

Entity	Campaign [time in market, week commencing]	Approved budget (\$m, excl GST)	Independent Communications Committee review	SDCC review (Total No.)	Continued into Caretaker ^a
Department of the Environment and Energy	Powering Forward Phase 3 (or Energy for the Future) [26 Aug 18 to 14 Oct 18]	5.6	✓	3	-
	Powering Forward Phase 4 (or Energy for the Future) [2 Dec 18 to 16 Dec 18]	3.7	✓	3	-
	Powering Forward Phase 5 (or Energy for the Future) [3 Mar 19 to 7 Apr 19]	8.7	✓	5	x ^b
Department of Foreign Affairs and Trade	Smarttraveller Phase 4 [30 Sep 18 to 16 Dec 18]	0.4	✓	1	-
Department of Health	Childhood Immunisation Phase 3 [20 Jan 19 to 10 Mar 19]	3.5	✓	2	-
	Head to Health Phase 1 [16 Dec 19 to 28 Apr 19]	0.5	✓	N/A	✓
Department of Health	Health Star Rating Phase 5 [3 Feb 19 to 12 May 19]	4.0	✓	5	✓

Entity	Campaign [time in market, week commencing]	Approved budget (\$m, excl GST)	Independent Communications Committee review	SDCC review (Total No.)	Continued into Caretaker ^a
	HPV Vaccine Phase 2 [27 Jan 19 to 17 Feb 19]	0.4	✓	N/A	-
	Maternal Vaccinations [31 Mar 19 to 19 May 19]	0.4	✓	N/A	✓
	Pharmaceutical Benefits Scheme [24 Mar 19 to 7 Apr 19]	10.0	✓	5	✗ ^b
	Private Health Insurance [17 Feb 19 to 7 Apr 19]	4.5	✓	5	✗
	Australian Clinical Trials [1 Jul 18 to 16 Dec 18]	0.3	✓	N/A	-
Department of Home Affairs	You Will Be Turned Back (Offshore) [1 Jul 18 to 30 Jun 19]	-	N/A	N/A	✓
Department of Infrastructure, Regional Development and Cities	Building Our Future (Phase 2) [6 Jan 19 to 7 Apr 19]	19.8	✓	11	✗ ^b
Department of Jobs and Small Business	Jobs [1 Jul 18 to 7 Apr 19]	14.0	✓	5	✗
	Small Business [24 Feb 19 to 31 Mar 19]	7.0	✓	6	-

Entity	Campaign [time in market, week commencing]	Approved budget (\$m, excl GST)	Independent Communications Committee review	SDCC review (Total No.)	Continued into Caretaker ^a
Department of Social Services	Building Employer Demand [1 Jul 18 to 7 Apr 19]	1.9	✓	9	✓
	Stop It at the Start (Phase 2) [7 Oct 18 to 25 Nov 18]	6.5	✓	4	-
Department of the Treasury	Tax and the Economy [20 Jan 19 to 7 Apr 19]	24.2	✓	12	✗

Note a: Paragraph 6.1.1 of the 2018 Guidance on Caretaker Conventions states that:

The Department of Finance and PM&C review all advertising campaigns at the beginning of the caretaker period and recommend to the Government whether those campaigns should continue or be deferred. Bipartisan agreement is sought for campaigns that are to continue. Campaigns that highlight the role of particular Ministers or address issues that are a matter of contention between the parties are normally discontinued, to avoid the use of Commonwealth resources in a manner to advantage a particular party. Campaigns that are of an operational nature, such as defence force recruiting campaigns or public health campaigns, usually continue.⁸⁶

Note b: Newspaper advertisements for these campaigns could not be cancelled as at 11 April 2019.

Source: The approved budgets for 2018–19 were derived by Finance, from information that entities provided to the SDCC and/or the Special Minister of State. Figures have been rounded to the nearest \$50,000. Finance does not hold detail of the approved budgets for the Australian Electoral Commission's campaigns nor the offshore anti-people smuggling campaigns conducted by the Department of Home Affairs, as these campaigns are not reviewed by the SDCC or the Independent Communications Committee. Detail is correct as at 2 May 2019.

⁸⁶ Department of the Prime Minister and Cabinet, *Guidance on Caretaker Conventions*, PM&C, Canberra, 2018, p. 4.

Appendix 3 Mis-categorisation of three campaigns by the Department of Health in 2017 and 2018

1. In June 2018, Finance became aware that three campaigns by the Department of Health (Health) had not been subject to the usual approval and governance processes for advertising campaigns. The divisions of Health that were responsible for these campaigns had incorrectly classified them as public relations activities and not advertising campaigns.⁸⁷
2. The campaigns had been placed directly with a media outlet, instead of through the whole-of-government master media agency, so Finance was not aware of the existence of the campaigns until after they had concluded. The timing and expenditure for the three campaigns is detailed in the following table.

Table A.2: Timing and media expenditure of Health campaigns not subject to the campaign advertising framework

Campaign Name	Campaign timing	Media expenditure
Pregnancy and Flu	June 2017, September 2017, May 2018	\$419,349
Cervical Screening	November 2017 to July 2018	\$317,244
Head to Health	October 2017 to April 2018	\$306,341

Source: ANAO analysis of Health and Finance documentation.

3. The 2014 guidelines provide that given the value of the campaigns, there should have been:
 - correspondence from the Minister for Health to the Special Minister of State seeking agreement to develop the campaign (as media expenditure was greater than \$50,000);
 - review by the Independent Communications Committee (as expenditure was above \$250,000);
 - certification against the campaign advertising guidelines by the Secretary of Health (as expenditure was above \$250,000); and
 - placement with the master media agency (as the campaign included paid media placement) to ensure receiving the benefit of discounted whole-of-government media rates, and subsequent inclusion within Finance's annual public reporting on government campaign expenditure (as expenditure was above \$250,000).
4. These steps were not completed for the three campaigns.⁸⁸ After Finance became aware of the campaigns, it contacted Health to outline the definition of an advertising campaign and the processes that should have occurred. Health clarified the requirements of the advertising guidelines with its senior officers. Finance advised the ANAO that following consultation with Health and the master media agency, it was confident that a similar mis-categorisation would not occur by Health in the future.

⁸⁷ The campaigns included brochures, digital displays and television advertising inside medical centres, which meet the definition of advertising activity due to the paid media placement.

⁸⁸ A later phase of the Head to Health campaign was reviewed by the Independent Communications Committee in November 2018, without mention of the previous campaign activity.

Appendix 4 Amounts paid to communication suppliers, from 2015–16 to 2017–18

Table A.3: ‘Top ten’ campaign advertising suppliers, 2015–16 to 2017–18, GST included

2015–16		2016–17		2017–18	
Supplier name (no. of contracts)	Paid (\$million)	Supplier name (no. of contracts)	Paid (\$million)	Supplier name (no. of contracts)	Paid (\$million)
Havas Worldwide Australia (1 contract)	18.7	Havas Worldwide Australia (1 contract)	18.1	Havas Worldwide Australia (1 contract)	14.1
BMF Advertising (3 contracts)	4.3	J Walter Thompson (2 contracts)	1.9	BMF Advertising (6 contracts)	7.6
J Walter Thompson (2 contracts)	3.2	Ethnic Communications (5 contracts)	1.4	TBWA and Partners (2 contracts)	3.7
BCM Partnership (3 contracts)	3.1	BMF Advertising (2 contracts)	1.1	BCM Partnership (1 contract)	2.2
Taylor Nelson Sofres (7 contracts)	3.0	Hall and Partners Open Mind (3 contracts)	0.9	Venus Creative (1 contract)	2.0
Whybin/TBWA (1 contract)	2.8	N2N Communications (2 contracts)	0.8	Kantar Public (7 contracts)	1.8
303 Mullen Lowe (2 contracts)	2.5	Kantar Public (6 contracts)	0.8	AJF Partnership (2 contracts)	1.4
AJF Partnership (1 contract)	2.3	DBM Consultants (2 contracts)	0.8	Horizon Communications Group (2 contracts)	1.3
Arnold Furnace (1 contract)	1.8	Fenton Communications (2 contracts)	0.7	Saatchi & Saatchi (1 contract)	1.2
Carbon Media (3 contracts)	1.7	JWS Research (2 contracts)	0.7	J Walter Thompson (2 contracts)	1.2
Total	43.3		27.1		36.4

Note: In relation to the number of contracts for each supplier, some contracts are counted twice, where those contracts have continued across multiple financial years. The supplier paid the highest amount in each financial year is the advertising agency selected by the Department of Defence for its recruitment campaigns — which are typically the largest conducted by the Australian Government each year.

Similar analysis for the 2012–13 to 2014–15 time period is included in Appendix 2 of Auditor-General Report No.22 2016–17 *Government Advertising: March 2013 to June 2015*.

Source: ANAO analysis of Finance’s campaign advertising reports, with GST added.