



Government  
of South Australia

Report  
of the  
Auditor-General  
Supplementary Report  
for the  
year ended 30 June 2015

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Tabled in the House of Assembly and ordered to be published, 19 November 2015

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Second Session, Fifty-Third Parliament

Government marketing communications report:  
November 2015

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ISSN 0815-9157



18 November 2015

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Dear President and Speaker

**Report of the Auditor-General: Supplementary Report  
for the year ended 30 June 2015: Government marketing  
communications report: November 2015**

Pursuant to the provisions of the *Public Finance and Audit Act 1987*, I present to each of you a copy of my Supplementary Report for the year ended 30 June 2015 'Government marketing communications report: November 2015'.

**Content of the Report**

Part A of the Auditor-General's Annual Report for the year ended 30 June 2015 referred to audit work on the Government marketing communications that would be subject to Supplementary reporting to Parliament. This report provides detailed commentary and audit observations on aspects of government advertising.

**Acknowledgements**

The audit team for this report was Andrew Corrigan and Jodie Fitzgerald.

I also express my appreciation for the cooperation and assistance provided by the staff of the Department of the Premier and Cabinet, Department of Planning, Transport and Infrastructure, Department for Health and Ageing and the South Australian Tourism Commission during the course of the audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richardson'.

Andrew Richardson  
**Auditor-General**



# Table of contents

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## Government marketing communications report

1	Executive summary .....	1
1.1	Introduction .....	1
1.2	Audit conclusion.....	2
1.3	Summary of audit findings .....	3
1.4	Summary of audit recommendations .....	5
2	Audit scope and objectives.....	6
3	Background .....	7
4	Follow-up of issues raised in 2013.....	8
4.1	Premier’s Communications Advisory Group terms of reference .....	10
4.2	Delegations to arts agencies .....	11
4.3	Approval of guidelines .....	12
4.4	Digital Communications Guidelines .....	13
5	Reporting government advertising expenditure .....	15
5.1	Comparison of reporting requirements across other Australian jurisdictions .....	16
5.2	Requirements for reporting costs of advertising.....	17
5.3	Agency tracking and reporting of advertising campaign costs.....	18
6	Targeted savings initiatives for government advertising .....	20
7	Review of specific marketing communications and advertising campaigns.....	21
7.1	Use of images of politicians in government advertising .....	22
7.2	Marketing brochures and pamphlets are not all subject to Premier’s Communications Advisory Group/Government Communications Advice Unit review .....	24
7.3	The perception of political advertising.....	25
7.3.1	Political versus party political .....	25
7.3.2	Adelaide Oval Redevelopment brochure.....	26
7.3.3	Federal Cuts Hurt campaign.....	27
7.3.4	Audit comment and recommendation .....	28
7.4	Independent approval of campaigns initiated by the Department of the Premier and Cabinet.....	29
7.5	Campaign evaluation .....	30
7.6	Approval of campaign amendments .....	31
7.7	Timing of campaign submissions to Premier’s Communications Advisory Group.....	32

## Table of contents

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### Appendices:

Appendix 1 – Review criteria for assessing marketing communications/campaigns.....	34
Appendix 2 – Campaign review – Adelaide Oval Redevelopment brochure.....	37
Appendix 3 – Campaign review – Experience Riverbank brochure .....	41
Appendix 4 – Campaign review – Federal Cuts Hurt.....	45
Appendix 5 – Campaign review – Integrated Transport and Land Use Plan campaign.....	56
Appendix 6 – Campaign review – Adelaide Breathe campaign.....	60
Appendix 7 – Campaign review – Transforming Health.....	63
Appendix 8 – Comparison of advertising and communication guidelines.....	67
Appendix 9 – Agency responses.....	77

# Government marketing communications report

## 1 Executive summary

### 1.1 Introduction

Government marketing and communication, including advertising, is necessary to inform and engage the public and is an integral part of representative democracy and accountable government. It is generally accepted that the Government may use reasonable levels of public funds for communications providing South Australians with information about policies, services, programs and initiatives and any matters that affect their rights, benefits and obligations.

Some communications, however, are considered by the public to be contentious and costly, particularly in an economic climate of reducing overall government spending, and therefore they draw more critical scrutiny and attention. Criticisms generally focus on whether the benefit of the communications accrue principally or substantially to a political party, and the amount of public funds spent.

While it is an accepted principle that public funds are not used for party political advantage, assessing this principle in practice is subjective.

All public expenditure must be carried out according to acceptable standards of public administration such that integrity, financial probity and propriety, value for money and transparency are observed. Robust governance processes, teamed with accountability and transparency requirements, are appropriate and necessary measures to provide a basis for assurance to Parliament and the wider public that funds are reasonably applied to government marketing.

The Government Communications Advice Unit (GCA), within the Strategic Engagement and Communications Division of the Department of the Premier and Cabinet (DPC), together with the Premier's Communications Advisory Group (PCAG), provide a central oversight mechanism for government marketing communications.

In November 2013 we reported to Parliament a number of matters regarding the management process, along with transparency and accountability exercised, for aspects of government advertising. The particular focus of our 2013 review was central governance and administration arrangements. In response to this review DPC provided a number of proposed actions to address the issues raised.

In 2014-15 a follow-up review was undertaken to consider progress made by DPC in addressing the issues raised in 2013 and to give further consideration to aspects of governance and accountability in marketing communications. We also examined a number of marketing communication activities for compliance with the Marketing Communications Guidelines and the Guidelines for the Premier's Communications Advisory Group Process.

The results of our review, with recommendations and agency responses to be considered for future marketing and advertising campaigns, are summarised in this Report.

## 1.2 Audit conclusion

We found GCA and PCAG had improved the administrative operations that provide assurance that campaigns meet the requirements of the relevant marketing and communication guidelines prior to their release into the public domain. The main improvements were updated terms of reference for PCAG, website access to guidelines, improved recordkeeping for campaigns reviewed through the PCAG process and the introduction of checks performed on campaign budgets between submissions and evaluations. Some of these improvements only recently occurred.

The principles and processes to be followed by agencies when implementing marketing communication activities are established through a suite of guidelines. The guidelines require that all government marketing communications comply with the highest standards of fairness, equity, probity and public responsibility. They also require particular care be taken to ensure various requirements are met, such as accuracy and objectivity in presentations, and that statements and claims can be substantiated. The guidelines are generally consistent with similar provisions in other Australian jurisdictions and are suitable for their purpose, but some marketing matters and a controversial campaign highlighted areas where improvement is appropriate.

One principle of the guidelines is that government information programs should not be conducted for party political purposes. While party political is not clearly defined, the guidelines set out a range of criteria under which public funds should not be used. A number of the criteria are relevant to determining a party political purpose.

Evaluated against these criteria, our review concluded that in our tested sample it was not evident that the government had applied public funds for party political purposes.

We did find that the Federal Cuts Hurt campaign, the most controversial campaign we reviewed, and which cost \$1.18 million, was inherently for a political purpose as it pertained to the State, its government and policy. We did not find it was for a party political purpose. It was this campaign in particular that highlighted weaknesses in existing guidelines. The State Government initiated the campaign in response to significant downward revisions to Commonwealth Government payments to the States in the 2014-15 Commonwealth Government Budget. These downward revisions had national political significance and were also publicly criticised by other state governments in news media. The downward revisions were confirmed in the 2015-16 Commonwealth Government Budget and again drew criticism from state governments.

Government marketing and advertising has been an area of debate and dispute in all Australian jurisdictions and beyond over many years. By its very nature, opinion on government marketing quickly forms once a campaign is underway. Unlike some aspects of public expenditure, transparency and associated accountability of major marketing events and material are largely self-fulfilling as media placements occur and are seen. While we have recommended changes to tighten aspects of the guidelines, it is in our opinion unrealistic to expect that guidelines will completely remove controversy from some government marketing campaigns and expenditure. Taking steps to actively reduce the likelihood of such controversy by setting and maintaining high standards that justify the use of public money, is in the interests of good public administration.



Our recommendations for improvement to the guidelines and some practices are, in our opinion, necessary and relevant to ensuring that the ‘maintenance of high standards’ provisions set out in the guidelines, and transparency and accountability, are achieved. We also consider them to be consistent with public expectations, particularly regarding the inherent public interest nature of government marketing and communications, and the requirement that government information programs should not be conducted for party political purposes.

When discussing our findings and recommendations with DPC, we were advised that changes to DPC’s role in overseeing government marketing and communications were underway. The South Australian Government Communications Plan 2015-16 had been released. DPC advised that the plan is aimed at coordinating government communications and marketing across four themes.

A point of consideration was where accountability for compliance with the guidelines and expenditure reporting lies and where the review function to confirm or oversee that compliance resides. DPC indicated that this was under review and that DPC’s role would focus on continuous improvement of communications.

DPC provided a written response to the matters raised in this Report which acknowledges that GCA and PCAG are supportive of continuous improvement. A number of the recommendations have been accepted. DPC did not support some of the recommendations, particularly those that involved increased levels of central monitoring or potential change in assignment of responsibility from agencies to PCAG or GCA. DPC advised that the risk associated with some of these findings did not warrant further administrative processes. DPC’s responses to the specific matters raised are included in the relevant sections of this Report.

Responses were also received from the South Australian Tourism Commission (SATC), the Department of Planning, Transport and Infrastructure (DPTI) and the Department for Health and Ageing (SA Health) regarding matters raised on campaigns undertaken by them. Their responses are included in Appendix 9.

### **1.3 Summary of audit findings**

The review identified that:

- agency campaign cost recording, monitoring and reporting to PCAG was reasonable for the campaigns tested at three different agencies (refer section 5.3)
- most of the tested marketing activities had followed the PCAG approval process required by the advertising guidelines and complied with the majority of requirements set out in the guidelines (refer section 7).

The main matters arising from the review were:

- the Federal Cuts Hurt campaign highlighted:
  - following a change to the originally planned second phase of the campaign, it was not evident how the campaign met its original objectives to engage with the community on solutions and decision-making (refer section 7.3.3)

- a reasonable person could interpret the message as being on behalf of a political party where advertising focuses on another tier of government held by an opposing political party and features images of the Premier on the advertised website. However, the campaign was clearly identified as a State Government campaign and did not include any political party references or identification (refer section 7.3.3)
- the use of emotive language is inconsistent with the objectivity criteria in the ‘maintenance of high standards’ requirements of the guidelines. This reasonably contributes to the perception that this advertising has political motivation rather than providing information to the public in an objective manner (refer section 7.3.3)
- images of the Premier were used in the Adelaide Oval Redevelopment brochure, the Experience Riverbank brochure and on a Federal Cuts Hurt campaign website. DPC considered this complied with guidelines because it was not regarded as advertising as understood by the marketing profession (refer section 7.1)
- the term ‘advertising’ is not defined in the guidelines (refer section 7.1)
- approval and evaluation by PCAG of DPC developed campaigns was not independent of DPC (refer section 7.4)
- insufficient documented evidence was maintained to support the claims made in a campaign. The data could, however, be provided by the Department of Treasury and Finance when we requested it (refer Appendix 4)
- additions to a strategy, amended media plans and creative materials were not presented to PCAG or notified to GCA prior to the release of marketing campaign material into the public domain (refer section 7.6)
- a media booking for an amended media plan was processed by the Master Media Agency without the amended plan being reviewed by PCAG or GCA (refer section 7.6)
- some evaluations of campaigns were not timely as they were not within a reasonable period after the campaign conclusion, and some did not meet standards of objectivity and rigour (refer section 7.5)
- it is not practical for GCA or PCAG to check all of the high volume of communication and advertising material produced in pamphlets, brochures and flyers as is currently required by the suite of marketing and communications guidelines (refer section 7.2)
- some of the recommendations made by PCAG for some of the campaigns submitted were not adopted. Tight timeframes between submission to PCAG and commencement of the campaign increase the risk that recommendations made by PCAG/GCA cannot be adopted (refer section 7.7)
- the terms of reference for PCAG approved by the Premier in October 2013 were not implemented. Amended terms of reference were approved and implemented in March 2015 (refer section 4.1)
- PCAG does not review how delegations granted to arts agencies for specific types of marketing communications are applied (refer section 4.2).

The review of cost recording for government advertising and marketing communications identified that:

- there is no requirement for agencies to report on total marketing or advertising expenditure. While the majority of governments across Australia do not report total government advertising expenditure, other States have additional disclosure requirements that, if adopted in South Australia, would improve transparency of marketing and advertising expenditure (refer sections 5.2 and 5.1)
- targeted savings set out in the 2014-15 State Budget for advertising were effected through agency budget reductions, similar to the practice for other savings items, which agencies managed as part of reduced operating costs (refer section 6)
- South Australian guidelines for digital communications do not prescribe any requirements to ensure that government agencies appropriately consider the risks associated with digital communications or make them accountable for the application of resources in this area (refer section 4.4).

#### **1.4 Summary of audit recommendations**

We recommended that the Marketing Communications Guidelines be amended in the following ways:

- define advertising. The definition should be the equivalent of the most relevant and contemporary used by other Australian jurisdictions (refer section 7.1). A comparison of guidelines is set out in Appendix 8
- enhance criteria for defining party political purposes and organise it clearly under a separate and distinct title (refer section 7.3)
- extend the restrictions on the use of the image or voice of a politician from publicly funded advertising to all forms of government marketing communications. If considered appropriate, establish circumstances where it is considered necessary that the Premier or a Minister represent the Government in communications through messages and images (refer section 7.1)
- clarify and specify the reference to ‘politician’, for example a Minister, any other Member of Parliament or a candidate nominated for election to Parliament (refer section 7.1)
- ensure approval and evaluation of DPC developed campaigns is convened by a marketing expert who is independent of DPC (refer section 7.4)
- require PCAG oversight of all agencies exercising a delegation for communication activities by periodic summary level reporting to PCAG on communications based on clear and limiting criteria, for example dollar value thresholds or specific activities (refer section 4.2)
- reflect current practices where the current requirements for reviewing all marketing communications are not practically achievable. Consider GCA review of agency style guides for the production of pamphlets and brochures as a mechanism for encouraging agencies to comply with the relevant guidelines (refer section 7.2)

- require changes to campaign strategies, through extensions or additional communication activities, to be subject to review by PCAG or GCA (refer section 7.6)
- include specific requirements on recording advertising costs with definition of the specific costs that should be included:
  - research for the purposes of the campaign
  - development and production of the campaign
  - media placement
  - evaluation of the likely or actual effectiveness of the campaign (refer section 5.2).

In addition to amending the guidelines, we also recommended:

- continued opportunities for improvement in detailed and objective analysis for evaluations be promoted and encouraged with all agencies. This could be achieved through sharing case studies and examples of good evaluation methods across government agencies. It is acknowledged that this has been an area of focus for GCA and PCAG (refer section 7.5)
- appropriate measures be arranged with the Master Media Agencies to ensure that amendments to campaigns are subject to review by PCAG/GCA before media is booked (refer section 7.6)
- agencies factor sufficient time into the planning process to ensure that the PCAG process can positively contribute towards ensuring that government communications comply with the guidelines and are consistent with the strategic, planned approach (refer section 7.7)
- consideration be given to publicly reporting total government advertising expenditure, inclusive of all aspects of campaign advertising costs, to achieve high levels of accountability and transparency in this area. Publishing campaign expenditure totals already required and provided to PCAG in evaluation reports may provide a reasonable option towards this aim (refer section 5.3)
- adherence to PCAG terms of reference continue and regular reviews be conducted to ensure that the terms of reference accurately reflect the operational expectations that Cabinet has for PCAG (refer section 4.1)
- governance over digital communications be enhanced by teaming the best practice guidance with a framework that requires agencies to plan, manage risks and evaluate digital communication performance (refer section 4.4).

## **2 Audit scope and objectives**

The review objectives were to:

- follow up the status of actions taken by DPC against the findings and recommendations reported to DPC in July 2013 and Parliament in November 2013

- give consideration to the processes adopted by a sample of individual government agencies for preparing and approving campaigns, campaign evaluation and the monitoring and reporting of campaign expenditure
- review marketing communications and specific matters raised in correspondence to the Auditor-General, with a view to determining if the Marketing Communications Guidelines were appropriately applied
- compare the adequacy and standards of the suite of marketing and communications guidelines against those of other Australian jurisdictions
- determine how cost saving measures set out in the 2014-15 Budget were being applied to government advertising.

The focus of this review was on marketing material and campaign advertising. It excluded functional advertising, which relates to statutory or announcement type communications for immediate or short-term appearance.

The governance arrangements for government marketing communications and advertising are established through a number of guidelines issued by PCAG. The guidelines are to be applied by government agencies when developing advertising communications and require all advertising and marketing communications to be centrally reviewed by either PCAG or GCA.

Our review of specific campaigns and processes has been undertaken against marketing and communications guidelines, details of which are summarised in Appendices 1 – 7.

### **3 Background**

Marketing communications are planned and implemented by government agencies in accordance with their operating objectives. PCAG and GCA provide oversight of government communications.

PCAG operates under the delegation of Cabinet to ensure a strategic, planned and coordinated approach to the SA Government's extensive and diverse marketing communications strategies. It maintains strategic oversight of marketing communications policies and procedures, and operational responsibility for reviewing proposed advertising and marketing communications activities.

The role of GCA is to facilitate and improve the quality, value and effectiveness of external communications undertaken by the SA Government. It achieves this by assisting agencies in delivering their marketing and communications activities, and providing strategic advice and guidelines for marketing communications and advertising. GCA administers and supports agencies through the PCAG approval process.

The key guidelines relevant to preparing, implementing and obtaining approval for marketing communications include the following:

- Marketing Communications Guidelines
- Guidelines for the Premier's Communications Advisory Group Process
- DPC Circular 009 'The Master Media Scheme for Government Advertising'.

The Marketing Communications Guidelines are the overarching guidelines, prepared to assist government agencies in preparing marketing communications materials. Marketing communications are defined within these guidelines as ‘the deliberate, planned external communication of information by an organisation to a target audience’. These guidelines include the principles to be followed by all government personnel when planning, developing and managing marketing communications on behalf of government agencies.

The Guidelines for the Premier’s Communications Advisory Group Process outline the membership and role of PCAG, the role of GCA and the process to be followed by agencies in preparing and submitting communication activities for review. The guidelines state that all marketing communication, advertising, public information and promotional campaigns, regardless of the value of the activity, are subject to the PCAG approval process. The specific approval process that must be followed is dependent on the total value of the marketing activity.

DPC Circular 009 requires all government agencies to use only the Government’s Master Media Agency for media strategy development and media planning for all brand advertising unless specifically exempted by PCAG.

**4 Follow-up of issues raised in 2013**

We conducted an audit review of government advertising in 2013 which resulted in a letter being issued to DPC in July 2013. A response was received from DPC in October 2013 detailing a number of proposed actions and considerations for the issues raised.

We examined whether the proposed actions were implemented and if these actions had successfully addressed the issues identified in the 2013 review.

We found that a number of actions were implemented to address the issues raised. They are summarised in the following table.

Audit recommendations July 2013	Action implemented by DPC
Appropriately approved terms of reference for the operation of PCAG be documented and approved.	Terms of reference approved by the Premier and implemented in March 2015.
An outstanding action table be submitted at each PCAG meeting and included with documented meeting reports.	An ‘Actions Carried Forward’ table has been included in PCAG meeting reports since September 2013 to record and track all outstanding items.
Access to relevant policies, principles and guidelines regarding advertising should be improved to allow the public and government staff easy access to information.	<p>A GCA website was launched in March 2015. It contains easy links to the following guidelines:</p> <ul style="list-style-type: none"> <li>• Marketing Communications Guidelines</li> <li>• Guidelines for the Premier’s Communications Advisory Group Process</li> <li>• Recruitment Advertising Policy and Guidelines</li> <li>• Digital Communication Guidelines.</li> </ul> <p>As an interim measure, the guidelines were uploaded to the DPC corporate internet site from September 2013.</p>

Audit recommendations July 2013	Action implemented by DPC
<p>The requirements of the guidelines for digital communications be communicated to all government agencies.</p>	<p>Updated guidelines for digital communications were issued in March 2015.</p> <p>Until the March 2015 release, no substantial changes to the guidelines had been made since our last review. The March 2015 guidelines are available on the GCA website.</p>
<p>More detailed financial data be included in campaign submissions and the financial analysis provided in post-campaign evaluations be increased to allow greater scrutiny by PCAG and Strategic Communication Unit (SCU), now GCA.</p> <p>We noted instances where the budget provided in a campaign evaluation was different to the budget provided in the campaign submission, making evaluation of actual expenditure against budget problematic.</p>	<p>GCA implemented an internal administrative process to check the proposed campaign budget stated in the submission to the budget included in the evaluation report presented to PCAG. GCA highlights to PCAG where actual expenditure differs from that proposed.</p>
<p>Appropriate controls be introduced to ensure that a campaign cannot proceed into the public domain until all conditions of approval are satisfied. The documentation trail for the conditions of approval and the fulfilment of these conditions should be improved and centrally filed to ensure that information pertinent to each campaign is easily accessible by all SCU officers.</p>	<p>Fulfilment of the recommendations made by PCAG is the responsibility of the agency implementing the campaign.</p> <p>DPC acknowledged the need for improved follow-up and recordkeeping for campaigns where PCAG delegates final approval to GCA. GCA has implemented improvements in the follow-up and recordkeeping for campaigns.</p> <p>The follow-up of specific items is referenced in the outstanding items table in PCAG meeting reports.</p>

We noted that a number of proposed actions were not fully implemented until after discussions had commenced with the Executive Director, Strategic Engagement and Communications for this current review. For example, Guidelines for the Premier's Communications Advisory Group Process were not updated and reissued until March 2015 and the updated terms of reference for PCAG were not adopted until March 2015.

Improvements were noted particularly in areas of administration undertaken by GCA. They include improved recordkeeping and checking processes to ensure that campaign budgets are shown consistently between campaign submission and evaluation.

However, we noted some areas of weakness in the overall governance for government marketing and communications. These weaknesses, which include areas where implemented actions have not fully addressed previously identified risks, are:

- PCAG does not monitor or review campaigns approved and implemented by arts agencies under delegation

- the absence of public reporting on total advertising expenditure
- the lack of independent review for campaigns implemented by DPC
- review practices for some marketing communications (namely brochures) are inconsistent with the requirements of the guidelines.

These are discussed in more detail in subsequent sections of this Report.

#### **4.1 PCAG terms of reference**

Terms of reference for PCAG, approved by the Premier in October 2013, incorporated a number of changes to the PCAG operating structure and approval process. These changes included:

- reducing PCAG membership from eight to five
- delegating to GCA the review of communication activities with a budget of up to \$200 000
- GCA reporting all submissions it reviews with a value of more than \$20 000 to PCAG
- delegation to chief executives to approve functional advertising exemption requests.

In addition, the terms of reference detailed the following governance matters for PCAG:

- membership and the appointment of a senior communications peer
- responsibilities including oversight of whole-of-government communications policies and procedures, maintaining oversight of government expenditure on advertising and the requirement to report to the Sustainable Budget Cabinet Committee on all campaigns and matters approved by PCAG on a quarterly basis
- meeting requirements, including publishing an annual calendar of meetings and the ability to convene extra meetings as required.

From our review of PCAG meeting minutes throughout 2014 and up to March 2015, we found that the terms of reference approved by the Premier in October 2013 were not implemented. The meeting minutes show that six to seven members continued to be part of PCAG and communication submissions valued at less than \$200 000 continued to be reviewed by PCAG. We were advised by GCA that the terms of reference were not implemented due to resourcing issues and staff changes.

Amended terms of reference were approved by the Premier in March 2015. They were implemented and incorporated into updated marketing and communications guidelines.

#### **Risk exposure**

For the period October 2013 to March 2015 there was a risk that PCAG was not operating in accordance with the expectations of the Premier or Cabinet.



## **Audit recommendation**

We acknowledge that from March 2015 the terms of reference provides a comprehensive governance structure for PCAG. We recommend that adherence to the terms of reference continues and that they be reviewed at regular intervals to ensure that they accurately reflect the operational expectations that Cabinet has for PCAG.

## **Agency response**

DPC advised that GCA supports the concept of continuous improvement and that the PCAG terms of reference effective from 23 March 2015 includes a clause requiring periodic review no later than two years from the date of commencement.

### **4.2 Delegations to arts agencies**

In March 2013 a paper was presented to PCAG to clarify delegations provided to arts agencies that provide expediency in the marketing of events. The paper states that specified arts agencies are not required to go through the PCAG process unless:

- the campaign is of high public profile
- it is a 'blockbuster event'
- the subject matter is of a sensitive nature.

During the 2013 review of government advertising, we requested a copy of the delegation to arts agencies by PCAG but were advised that such a delegation had not been documented other than in the paper presented to PCAG.

We reported in our 2013 audit review that such exemptions from the guidelines require the agency to make subjective assessments on whether its campaign should follow the PCAG process.

In response to the issue raised, DPC acknowledged that the rules around the execution of the process between Arts SA and PCAG needed to be agreed more explicitly to define the terms of the delegation, but maintained that the delegation is essential to the efficiency of the process.

In March 2015 PCAG sent a letter to Arts SA and relevant arts agencies to outline the delegations. These delegations, which are consistent with the arrangements presented to PCAG in March 2013, allow specified arts agencies to implement retail advertising campaigns without going through the PCAG approval process. The criteria to be applied in determining whether a retail campaign should follow the PCAG process remain unchanged from the 2013 review.

We also noted that arts agencies are not required to report to PCAG or GCA on the exercise of their delegation or the volume and nature of marketing activities. In discussion, the Executive Director, Strategic Engagement and Communications indicated this would impose an unnecessary reporting burden on the agencies, without PCAG/GCA being able to provide any return benefit in terms of improving retail communications.

While we understand the need for expediency in the area of retail marketing for arts agencies, this is an area of government that relies on marketing communications as an important element to ensuring successful outcomes through patronage of their events.

### **Risk exposure**

The central review process performed by PCAG is designed to ensure that the Government undertakes effective communication that presents agencies and activities of the Government to the community in a consistent and cohesive manner. Excluding agencies from PCAG review and monitoring creates a risk that the objectives of the PCAG process will not be achieved.

Requiring an agency to determine whether it should follow the PCAG approval process on the specified subjective criteria increases the risk that the delegation may not be applied as anticipated. This may result in communications entering the public domain when they do not comply with the principles and requirements of the guidelines.

### **Audit recommendations**

We recommend that PCAG provide a cost-effective oversight function to ensure that arts agencies' communication activities are strategically sound, apply the most suitable media, are budget appropriate and are suitably evaluated to ensure that communication activities can strive for continual improvement. Cost-effective oversight could be facilitated through periodic summary level reporting to PCAG on communications prepared under the delegation. This will inform PCAG so that it can exercise its judgement to review if the need is evident.

We also recommend that the criteria for determining which marketing and communication activities are subject to PCAG/GCA review be very clear and risk based. The use of dollar value thresholds or description of specific activities would remove subjectivity from the process.

Finally, we recommend that a summary level report on advertising and communication activities be submitted periodically to PCAG/GCA by arts agencies exercising the delegation. This is to better enable a level of oversight to be maintained.

### **Agency response**

DPC responded that the current delegation to arts agencies ensures expediency in the marketing of events and activities and is appropriate commensurate to the level of risk in undertaking retail campaigns. GCA does not consider that a summary level report to PCAG, as recommended, would on its own provide sufficient oversight to strengthen this delegation.

## **4.3 Approval of guidelines**

In our 2013 audit review we reported that there was no documented process for approving government advertising guidelines and that there were inconsistent approaches to approving reissued guidelines.

PCAG terms of reference approved in March 2015 state that PCAG maintains strategic oversight of marketing communications policies and procedures. We were advised that the current process for approving and releasing amended guidelines is as follows:

- minor administrative changes to guidelines, such as name and contact updates, are processed by GCA and the new version is made available without review by PCAG

- all other changes, such as scope or processes, are processed by GCA and the amended guidelines are endorsed by PCAG and approved by the Premier.

The terms of reference for PCAG do not state that amended guidelines require approval by the Premier. In addition, there has been no acknowledgement or documentation from PCAG providing GCA with responsibility for making administrative changes to the guidelines without review by PCAG.

### **Audit comment**

PCAG operates under delegation from Cabinet. We consider it would be useful to acknowledge the practice of the Premier's approval of non-administrative changes to the guidelines in PCAG terms of reference.

For administrative changes, PCAG must be satisfied that it can effectively maintain strategic oversight of marketing communications policies and procedures. Whilst administrative changes should not change the nature, operational requirements or guidance provided to public sector agencies, PCAG can only be assured that this is the case by reviewing all changes made to the guidelines. This could be achieved by a tracked-change presentation of guidelines to PCAG for information.

### **Agency response**

GCA supports formalising the current approval process for the suite of marketing communications guidelines (presented to PCAG for endorsement and subsequently to the Premier for approval). GCA will include the approval of guidelines in the next periodic review of the PCAG terms of reference.

## **4.4 Digital Communications Guidelines**

In 2013, we observed that the Digital Communications Guidelines requirements were not being applied across government. Neither PCAG or GCA (Strategic Communications Unit at that time) monitored agency compliance with guidelines for digital communications.

In response, DPC advised that expansion of the existing digital guidelines was a priority in the work plan for GCA in 2013-14. DPC also clarified that digital communication (such as a website) is not classified as advertising and consequently does not require PCAG approval.

The Digital Communications Guidelines were reissued in March 2015. They stipulate that only paid digital advertising that is part of an integrated advertising campaign is subject to the PCAG approval process. The guidelines state that establishing digital or social media platforms as part of day-to-day public relations requires departmental approval prior to implementation. They also state that websites created outside of [sa.gov.au](http://sa.gov.au), the common internet site for the SA Government, need to comply with guidelines and policies issued by the Office for Digital Government.

The current Digital Communications Guidelines provide guiding principles for best practice use of digital tools. The guidelines, however, do not set any requirement for central approval, review and monitoring of agencies' application of digital communication. The Executive Director, Strategic Engagement and Communications advised that this approach was taken to encourage government agencies to utilise digital communications in an effective and efficient manner.

We compared advertising and digital guidelines across Australian jurisdictions. Most adopted similar approaches in providing guiding principles for best practice. Some jurisdictions built in requirements to ensure that government agencies appropriately consider the risks associated with some forms of digital communications and make them accountable for the application of resources in this area. For example:

- in Victoria, departments are required to have a governing Website Management Taskforce to oversee online activities<sup>1</sup>
- in Victoria, all social media activities must be authorised in accordance with individual entity policies, detailed within an appropriate communication strategy, and linked to business objectives<sup>2</sup>
- the Western Australian Government Advertising and Communications Guidelines state that the use of social media should form part of a broader communications strategy<sup>3</sup>
- the Western Australian Website Policy states that all WA public sector websites must be underpinned by a website plan and agencies must comply with website registration and reporting requirements. Agencies are required to report on websites and website costs, which will be used to produce a website report for the WA public sector each financial year<sup>4</sup>
- the Queensland Government's Social Media Policy requires agencies to conduct and document a risk assessment, which must be approved by the agency's chief information officer, prior to implementing social media.<sup>5</sup>

We note that some of these policies and guidelines fall within the domain of information and communications technology and may not be prepared by the group responsible for the overview of government marketing communications. We also acknowledge that in South Australia the Office for Digital Government (a division of DPC) provides guidance to government agencies on social media and website applications, however these guidelines do not prescribe any requirements such as those listed above.

The current Digital Communications Guidelines provide useful guidance to government agencies utilising digital communication tools. In conjunction with the Social Media Guidance for Agencies and Staff, agencies are guided towards adopting best practice. The guidelines, however, do not require government agencies to have robust planning processes in place or make agencies accountable when using these methods of communication.

## **Risk exposure**

Digital communication and the tools used to undertake communications are fast evolving and subject to rapid change. Without an appropriate framework requiring government agencies to comprehensively plan, document and assess their digital communications there is a risk that this increasingly popular method of communication will not be used efficiently or effectively.

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<sup>1</sup> Victorian Government Communication Guidelines 2013, page 7.

<sup>2</sup> Victorian Government Communication Guidelines 2013, page 8.

<sup>3</sup> Government of Western Australia Government Advertising and Communications Guidelines 2014, page 6.

<sup>4</sup> Government of Western Australia, Department of Finance. Website Policy sourced at [http://www.finance.wa.gov.au/cms/uploadedFiles/Government\\_Procurement/Website\\_Governance\\_Framework/website\\_policy.pdf?n=1766](http://www.finance.wa.gov.au/cms/uploadedFiles/Government_Procurement/Website_Governance_Framework/website_policy.pdf?n=1766)

<sup>5</sup> The Queensland Government's Official Use of Social Media Policy sourced at <http://www.qld.gov.au/web/social-media/policy-guidelines/policy/>

There is also a risk that incorrect or improper information could be communicated and shared in the public domain or that the inappropriate use of the medium could reflect poorly on the SA Government.

### **Audit recommendation**

Maintaining good governance whilst encouraging innovation can be a difficult balance to achieve. We consider, however, that governance could be enhanced by teaming the best practice guidance with a framework that requires agencies to plan, manage risks and evaluate digital communication performance. This may require a coordinated approach between PCAG, GCA and the Office for Digital Government to ensure that government agencies are responsible and accountable in their digital communications, no different to communication via other media.

### **Agency response**

DPC responded that the Digital Communications Guidelines outline the principles that should be considered by government agencies when undertaking digital communications via paid, owned and earned channels. Also included are the approval mechanisms that agencies are required to obtain for the different types of activities:

- marketing communications activities that use digital channels (paid and unpaid) as part of an integrated approach are subject to the PCAG approval process
- establishment of a presence on digital or social media platforms via an agency's owned digital channels for use as part of day-to-day public relations, marketing or media relations require internal agency approval prior to implementation.

These approval processes seek to strike the balance between accountability and encouraging innovation in a contemporary marketing communications and engagement environment.

Responsibility remains with the agency to obtain the relevant approval.

## **5 Reporting government advertising expenditure**

Prior to 2012-13, DPC's annual report disclosed total government advertising costs. This responded to the recommendation made by the Sustainable Budget Commission in 2010 in their second report, 'Budget Improvement Measures – Restoring Sustainable State Finances':

*Ensure quantification of all elements (media and non-media) of advertising related expenditure, with this to be included in the Department of Premier and Cabinet's Annual Report from 2009-10 onwards.<sup>6</sup>*

Total whole-of-government advertising costs reported by DPC comprised media placement, campaign development, collateral and other advertising costs. DPC was reliant on the completeness and accuracy of this data being provided by government agencies.

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<sup>6</sup> 'Budget Improvement Measures – Restoring Sustainable State Finances', second report by the Sustainable Budget Commission, August 2010, recommendation 10.

Media placement costs could be verified against information provided by the two Master Media Agencies who were contracted to manage all paid media placements on behalf of the SA Government. All other advertising costs provided by government agencies were not substantiated or checked.

In 2013 we reported that DPC did not sufficiently review the data being collated and reported in the annual report to ensure its integrity. Consequently, from 2013 onwards, only media placement costs (as provided by the Master Media Agencies) have been reported in DPC's annual report.

We were advised by DPC in October 2013 that they would consider amending DPC Circular PC013 'Annual Reporting Requirements' to set a consistent standard of reporting for government advertising expenditure. Such reporting would be the responsibility of the relevant agencies undertaking advertising activity. This change has not occurred and government agencies are not required to separately report on government advertising expenses.

We consider that central reporting of government advertising expenditure, which includes all costs related to advertising campaigns, is necessary to achieving high levels of accountability and transparency in this area. Government advertising continually comes under public scrutiny and therefore requires robust accountability mechanisms to provide assurance to Parliament and the wider public that expenditure is efficient and effective.

As there is no central requirement for government agencies to report on total advertising costs, we included within the scope of this review consideration of how a sample of government agencies currently track and report on government advertising expenditure at a campaign level. The agencies reviewed were DPC, SA Health and SATC. The outcomes of this aspect of the review and our observations in relation to whole-of-government reporting for government advertising expenditure are summarised in sections 5.1 to 5.3.

## **5.1 Comparison of reporting requirements across other Australian jurisdictions**

DPC currently reports media placement costs incurred by agencies in an appendix to the DPC annual report. This information is sourced from the Master Media Agencies contracted by the SA Government to manage all media bookings. The information is summarised and checked before being published in the annual report.

Governments across Australia do not report on total whole-of-government advertising expenditure. However, various requirements for public disclosure of advertising expenditure exceed the standard currently operating in this State, including:

- NSW requires disclosure of total campaign costs by campaign on a central agency's website and agencies are encouraged to publish campaign expenditure on their own website<sup>7</sup>
- a dedicated annual report on government advertising, which includes detailed expenditure for all advertising campaigns over a threshold limit, is published in Victoria and by Commonwealth Government agencies<sup>8</sup>

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<sup>7</sup> NSW Government Advertising Handbook, August 2014, page 11.

<sup>8</sup> Victorian Government Campaign Activity Summary 2013-14. Campaign Advertising by Australian Government Departments and Agencies, Annual Report 2013-14.

- in Victoria agencies must report on campaigns with a total media spend of more than \$150 000. This requirement is supported by Financial Reporting Direction 22F issued by the Victorian Department of Treasury and Finance, which specifies campaign expenditure to include media placement, creative and campaign development, research and evaluation, print and collateral and other campaign costs.<sup>9</sup>

### **Audit comment**

There are a range of mechanisms available to improve the transparency of government's expenditure on advertising. Some of these mechanisms are employed within other Australian jurisdictions.

These accountability mechanisms do not, however, attempt to provide a total for whole-of-government expenditure on government advertising for a defined period. Any of these mechanisms, on their own, would therefore not enable the SA Government to report on the total cost of advertising as was recommended by the Sustainable Budget Commission in 2010.

### **Agency response**

DPC's response recorded GCA's support for the principle of transparency of reporting government expenditure, however stated responsibility for individual agency expenditure should remain with the agency and not DPC. Management of the Master Media Agreement by DPC allows it to accurately and effectively report whole-of-government media advertising expenditure. Variations in financial reporting across agencies do not currently allow the other elements of advertising expenditure to be aggregated effectively and consistently.

## **5.2 Requirements for reporting costs of advertising**

The Marketing Communications Guidelines state that 'All government agencies must be accountable for their expenditure of public funds. Accountability is only possible when the results of expenditure are measured and reported'.<sup>10</sup> This reporting is only required in the evaluation of the campaign.

The Guidelines for the Premier's Communications Advisory Group Process require campaigns to be evaluated and this evaluation is provided to GCA or PCAG depending on the total value of the campaign. The evaluation templates made available to government agencies for this purpose include a section to record budget and actual expenditure for the campaign. The evaluation of the campaign is not made publicly available.

The guidelines do not require PCAG to undertake any form of reporting to the public on government advertising expenditure.

There is also no requirement for agencies to report on total advertising expenditure as part of either their financial report or their annual report.

### **Risk exposure**

In the absence of any requirement to report on total advertising expenditure, at either the agency level or a whole-of-government level, it is not possible to determine the quantum of

<sup>9</sup> Victorian Financial Reporting Direction FRD 22E 'Standard Disclosures in the Report of Operations' (revised May 2014), pages 3-4.

<sup>10</sup> Marketing Communications Guidelines, March 2015, page 14.

financial resources allocated to government advertising across the public sector. This reduces government accountability for advertising expenditure.

**Audit recommendations**

To allow for broader scrutiny and improved accountability in the area of government advertising expenditure, the guidelines should include specific requirements on recording advertising costs. This would contain a definition of the specific costs that should be included:

- research for the purposes of the campaign
- development and production of the campaign
- media placement
- evaluation of the likely or actual effectiveness of the campaign.

We also recommend that consideration be given to publicly reporting government advertising expenditure, inclusive of all aspects of campaign advertising costs. Options that could be considered include publishing campaign expenditure information provided to PCAG on the GCA website or requiring agencies to disclose specific advertising information in their annual reports.

**Agency response**

DPC advised that the Marketing Communications Guidelines outline the principles to be considered by agencies when undertaking marketing communications activities. It is not the role of the guidelines to prescribe an agency’s financial reporting methods. The variations in financial reporting across agencies do not currently allow for all elements of advertising expenditure to be captured and aggregated effectively and consistently.

**5.3 Agency tracking and reporting of advertising campaign costs**

As part of the PCAG process, agencies are required to evaluate campaigns upon completion. This includes accounting for the cost of the campaign and comparing it to the budget. A template is made available to agencies to assist with evaluating a campaign. It sets out the activity areas that should be included in the cost of the campaign where relevant: research; strategy; media; creative/production; events; evaluation; agency fees; and other.

We reviewed a sample of three campaigns at three different agencies to determine how advertising costs were monitored and recorded. The three campaigns reviewed were:

Campaign	Agency	Campaign value *\$/’000
Adelaide Breathe (2013-14 and 2014-15)	SATC	3 418
Transforming Health	SA Health	**3 065
Federal Cuts Hurt (Phases 1 and 2)	DPC	1 177

\* Figures are inclusive of GST.  
 \*\* The Transforming Health campaign was still current at the time of preparing this Report, therefore the value provided is the campaign budget submitted to PCAG.

We obtained the campaign evaluation submitted to PCAG to determine the reported cost of the campaign and the supporting data used by each agency to account for the costs. A sample of invoices was selected from each of the agencies’ records to ensure that the costs were associated with the campaign and were correctly recorded.



We determined that despite some observations, overall the campaign cost recording and reporting to PCAG was reasonable at the three agencies reviewed. The costs recorded were consistent with our understanding of the campaign and were being monitored by the respective agencies throughout the campaign.

DPC's general ledger provided a suitable record of the campaign costs and this provided the base for information reported to PCAG in the campaign evaluation. In the other agencies marketing personnel used separate spreadsheets to track and record campaign costs.

Across the three agencies, we made the following observations:

- for one campaign, the total campaign cost reported to PCAG in the campaign evaluation did not agree to the supporting data maintained in a spreadsheet. We were advised that this occurred because the agency reported to PCAG before final costs were determined and the agency had relied on accruals and estimates to complete the evaluation
- for one agency, the spreadsheet details did not agree to the supporting documents for a small number of invoices
- for one agency the general ledger was not used to monitor costs as it could not be relied on to obtain the complete costs for an individual campaign. This was because the ledger structure did not support the creation of separate accounts to recognise individual campaigns
- one agency engages a market research company on an annual retainer and therefore did not include any market research costs with individual campaigns. This was disclosed when reporting to PCAG.

These matters were separately reported to the respective agencies.

No specific costing issues were identified for the DPC Federal Cuts Hurt campaign.

We also considered for these three agencies whether the financial reports included relevant advertising expenditure data, which can be used reliably to account for the resources attributed to government advertising. Expenditure is categorised in the general ledger by the nature of the expenditure as required by the Accounting Policy Statements issued by the Department of Treasury and Finance. This means that the different components of an advertising campaign may be recorded in different note disclosure lines in the financial reports. For example, media placement will be recorded as advertising but the research conducted to inform the campaign may be recorded under contractors. The financial reports therefore do not, on their own, disclose a consolidated or single reliable measure of total advertising costs for individual agencies.

### **Audit comment and recommendation**

We understand that PCAG and GCA are not financial monitors. They do, however, consider campaign expenditure to analyse whether a campaign has achieved the stated objectives in a reasonably efficient manner. GCA performs checks between the expenditure reported in the campaign evaluation and the budget included in the campaign submission to ensure that there is consistency between the budget and the actuals. Any significant variances are referred to the agency for explanation.

Requiring agencies to report on the campaign costs through the evaluation process and the reasonableness check performed by GCA on the information provided in the campaign submission are sound mechanisms for ensuring that agencies demonstrate accountability to PCAG/GCA in government advertising expenditure. The integrity of the data supplied is, however, dependent on the individual agencies.

Our sample review of expenditure records maintained by agencies indicated some issues regarding the accuracy and completeness of campaign costs reported to PCAG. These matters were not of such a magnitude as to consider the campaign expenditure recording process unreliable or the campaign costs reported to PCAG materially incorrect.

We therefore consider that, for the agencies reviewed, the total advertising expenditure could be reasonably determined and this information could be publicly reported to increase the level of accountability and transparency for government advertising.

**Agency response**

DPC advised that the role of PCAG and GCA is not that of financial monitors, rather their role is to assess the cost effectiveness of a proposed marketing communications strategy. Given the stated variations in financial reporting across agencies, the expenditure presented to PCAG through the provision of agency Campaign Evaluation Reports cannot be aggregated effectively and consistently.

**6 Targeted savings initiatives for government advertising**

Government advertising has been specified as a targeted savings area over the last five State Government budgets. The 2010-11 Budget specified a savings initiative for advertising across government of \$18 million over four years. The 2014-15 Budget then included a further savings initiative incorporating government advertising: ‘\$86.2 million over four years by reducing expenditure on non-service consultants and contractors, government advertising and travel and associated costs’.<sup>11</sup>

A specific value was not assigned in the 2014-15 Budget to the reduction in government advertising expenditure for each of the four years commencing 2014-15, but it is reasonable to expect that advertising expenditure should decrease over the four years of the Budget.

As the Government ceased reporting on total government advertising expenditure in 2012-13, it is not possible to monitor the achievement of these specified savings targets at a whole-of-government level.

The following table summarises the advertising costs reported in DPC’s annual report for the last five years.

Financial year	Total media placement expenditure reported in DPC’s annual report	Total development costs reported in DPC’s annual report
2009-10	\$39.8 million	\$17.1 million
2010-11	\$34.2 million	\$17.8 million
2011-12	\$36.6 million	\$19.0 million
2012-13	\$31.2 million	Not reported
2013-14	\$26.3 million	Not reported

<sup>11</sup> 2014-15 Budget Statement, Chapter 2 ‘Expenditure’, page 25.

Over \$2 million of the decrease in expenditure between 2012-13 and 2013-14 is attributable to the sale of the Lotteries Commission of South Australia in 2012-13.

Whilst there has been an overall reduction in media placement expenditure over the four year period to June 2014, it is not possible to accurately determine from the information reported whether the savings identified in the Budget Papers were achieved.

For the 2014-15 budget savings target, savings were allocated to agencies by the Department of Treasury and Finance by reducing overall agency budgets. Each agency is required to manage the resources allocated to it and report to the Department of Treasury and Finance against savings measures or total operating costs.

PCAG does not monitor expenditure for the purpose of achieving budget targets but instead maintains oversight of media placement expenditure and evaluates the effective use of funds to achieve the objectives specified for campaigns and for government communications.

### **Risk exposure**

In the absence of any reporting or monitoring on total government advertising costs, it is not possible to determine if the Government has achieved specified targeted savings in the area of government advertising.

### **Audit recommendations**

To facilitate monitoring trends in costs, we recommend that agencies be required to report total advertising costs, inclusive of all applicable advertising components as discussed in section 5 of this Report. Where reliable and consistent data is available across all government agencies, monitoring of savings targets will be possible.

### **Agency response**

DPC advised that it considers it is not the role of DPC to monitor a Department of Treasury and Finance budget savings initiative. The savings were appropriated from agency budgets and it is the role of agency chief executives to manage their overall budget allocations.

## **7 Review of specific marketing communications and advertising campaigns**

Our 2014-15 review of government marketing communications and advertising included the specific marketing activities listed in the table below.

In the course of the review we also referred to other event marketing material where it was relevant to gaining a better understanding of practices.

Campaign	Agency	Value \$'000
Adelaide Oval Redevelopment brochure	DPTI	15
Experience Riverbank brochure	DPTI	154
Transforming Health	SA Health	*3 065
Integrated Transport and Land Use Plan	DPTI	275
Adelaide Breathe	SATC	3 418
Federal Cuts Hurt	DPC	1 177

\* The Transforming Health campaign was current at the time of preparing this Report therefore the campaign value is the budget presented to PCAG.

The specific communications and campaigns were selected for review due to either their value or the public interest they generated, or where correspondence was received by the Auditor-General suggesting that the Government’s advertising guidelines had not been appropriately followed.

The campaigns reviewed were created across different financial years. We have considered the marketing and communications guidelines in place at the time the campaign was approved in making an assessment of whether the guidelines were reasonably applied.

Most of the tested marketing activities had followed the PCAG approval process required by the guidelines and complied with the majority of requirements set out in the Marketing Communications Guidelines.

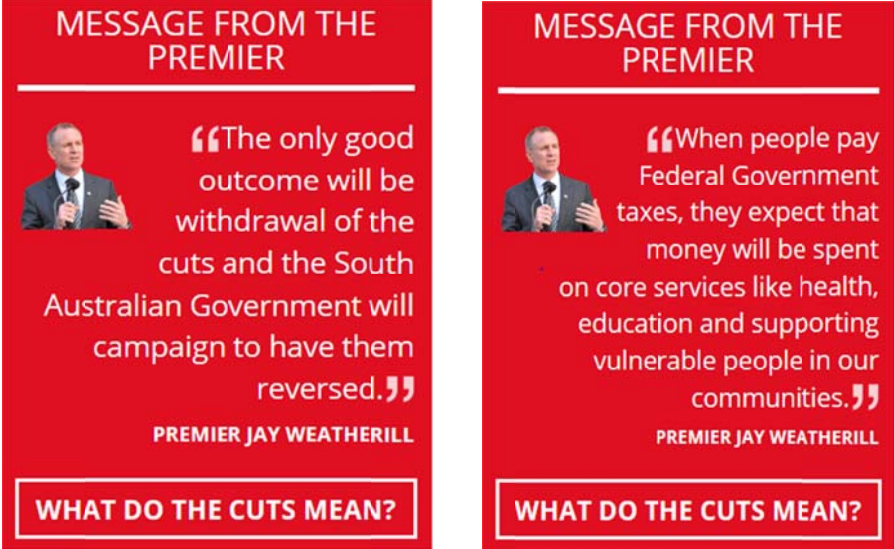
This section sets out our summary comments and findings from the review.

**7.1 Use of images of politicians in government advertising**

The Marketing Communications Guidelines from March 2015 and the previously issued Marketing Communication and Advertising Guidelines from 2013 state that: ‘Public funds should not be used for communications where: ... The image or voice of a politician is included within the advertising’. The term ‘advertising’ is not defined in the guidelines.

Images of the Premier were used in the Adelaide Oval Redevelopment brochure, the Experience Riverbank brochure and on a website produced for the Federal Cuts Hurt campaign (refer Appendices 2, 3 and 4 for more details).

The following are examples from the Federal Cuts Hurt campaign website.



<http://www.federalcutshurt.com.au/about/>

We also referred to other event marketing brochures such as those for the Adelaide Festival and the Fringe Festival and noted that images of the Premier and/or Ministers were used in a welcome or foreword message in these publications.

Representatives from GCA advised us that these communications are not considered advertising as understood by the marketing profession. GCA representatives considered that advertising related only to paid placement of a message via the media (television, radio and digital) or via outdoor installations, such as bus shelters, billboards and bus backs. In our view, we consider non-marketing professionals evaluating the use of public funds would not readily share this view and are more likely to criticise the Government for breaching guidelines.

For the Federal Cuts Hurt campaign, the audience is strongly encouraged to participate and a boldly stated web address is given. At that address readers are greeted by the Premier's image and messages on all but the home page. The web page is integral to the overall campaign, being informative and a means of action. The campaign evaluation in June 2015 noted in excess of 76 000 hits on the website, exceeding the target 50 000.

For the Experience Riverbank campaign, a brochure was included in the Saturday Advertiser as part of the media plan organised by the Master Media Agency. As this brochure was provided through paid media booked by a third party, it falls within the definition of advertising as understood by the marketing profession. It is our opinion that the inclusion of a politician's image within this marketing material has breached the guidelines.

Rather than rely on a technical and undefined interpretation of advertising, the guidelines and definitions should be clarified to reflect the Government's position and the highest relevant standards for the use of politicians' images. This is particularly when use of online and digital methods of communication is routine.

It is apparent that the Government considers that some use of politicians' images is appropriate. For the Federal Cuts Hurt campaign, the message from the Premier, as the leader of the State Government in dispute with the Commonwealth Government, may be regarded as relevant to the message being communicated. We consider that in most circumstances, the images of politicians do not enhance the information being provided at public cost because of the exposure to political purposes criticism.

### **Risk exposure**

Inclusion of the images of politicians in publicly funded marketing contributes to public perception that, regardless of any legitimate purpose, it is being conducted to benefit the politician's political party.

### **Audit recommendations**

The Marketing Communications Guidelines requirement that the image or voice of a politician not be included in publicly funded advertising should be applied to all forms of government marketing communications.

The reference to politicians should be clarified and specified, for example a Minister, any other Member of Parliament or a candidate nominated for election to Parliament.

If considered appropriate, exemptions should be established for particular marketing material or campaigns where it is considered necessary for the Premier or a Minister to represent the Government.

The term advertising should be defined in the guidelines, and the definition should equate to the highest standard of Australian jurisdictions. A comparison of guidelines across Australian jurisdictions is provided in Appendix 8.

## **Agency response**

GCA continues to support the established practice that politicians should not be represented in paid advertising. A definition of political advertising will be included in the Marketing Communications Guidelines with the next periodic review.

The Premier and Ministers represent the Government of the day and their inclusion in marketing communications (such as a foreword in a brochure or on a website) is regarded as appropriate to communicate with the community.

### **7.2 Marketing brochures and pamphlets are not all subject to PCAG/GCA review**

Brochures and pamphlets that are produced by government agencies but do not relate to a broader marketing campaign are generally not subject to PCAG or GCA review. The guidelines state that ‘All marketing communication, advertising, public information and promotional campaigns including broadcast, outdoor, print, promotion, digital and web, regardless of the value of the activity are subject to PCAG approval process’.<sup>12</sup> Approval delegations within the guidelines provide for GCA to review and approve marketing communication activities with a total budget of up to \$200 000.<sup>13</sup>

We were advised that GCA reviews and approves style guides produced by some agencies to ensure that branding and messaging is consistent with the Government’s requirements. These style guides are then applied in the production of materials by the agency.

It is not practical or likely to be cost effective for GCA or PCAG to check all communication and advertising material produced in pamphlets, brochures and flyers due to the significant volume of information produced in this format. Approval or review of style guides could therefore be a useful mechanism by which GCA can encourage marketing communications to be prepared in accordance with the guidelines.

## **Risk exposure**

The guidelines currently require all marketing communications to be subject to the PCAG approval process. As brochures and pamphlets fall within the definition of marketing communications, the current practices are not consistent with the guidelines.

Failure to follow the requirements in the guidelines increases the risk that marketing communications in brochures and pamphlets will not be subject to adequate review and may not be consistent with the principles and objectives required for government advertising.

## **Audit recommendations**

If the PCAG approval process is not practically achievable for all marketing communications as defined in the guidelines, the guidelines need to be changed to reflect current practices.

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<sup>12</sup> Marketing Communications Guidelines, March 2015, page 8.

<sup>13</sup> Marketing Communications Guidelines, March 2015, page 7.

In the absence of reviewing every individual brochure and pamphlet, we consider that GCA review of agency style guides for the production of pamphlets and brochures may provide a useful mechanism for encouraging agencies to comply with the relevant guidelines.

### **Agency response**

DPC confirmed that GCA currently reviews corporate departmental style guides. There are many programs and initiatives across government that have specific marketing communications developed outside of the corporate positioning of an agency.

Any change to the current approval process for relatively low risk activity does not represent a cost effective and reasonable solution.

### **7.3 The perception of political advertising**

Government advertising plays an essential role in the Government providing information to and engaging with the community. However, advertising campaigns initiated by governments across Australia continually come under scrutiny from the media and the public for inappropriately using public funds to gain political advantage for the party in government.

Communications received by the Auditor-General have highlighted a number of campaigns or advertising communications believed to have been inappropriately funded by public monies. Our review of these campaigns and communications revealed that the content or message being provided to the public was, in most cases, informative and provided reasonable grounds to engage with the public (refer to analysis on individual activities in Appendices 2 – 7). For example, the campaigns on the Integrated Transport and Land Use Plan and Transforming Health seek community involvement and feedback. It is reasonable that the plans be communicated to the public to allow interested parties the opportunity to provide input.

However, even when the message content is purposeful, relevant and informative, some advertising communications come under close scrutiny for potentially being party political or politically motivated. This is because the message or content alone is not the only element of communication when the public and media receive government advertising. There are other factors, including the manner of delivery and the timing of the message, that can influence the way in which the message is regarded, understood or interpreted.

The marketing and advertising guidelines address the matter of party political advertising by providing various principles, standards and requirements, with an oversight review mechanism through PCAG. In particular, the Marketing Communications Guidelines state under the heading ‘Use of public funds’ that government information programs should not be conducted for party political purposes.

#### **7.3.1 Political versus party political**

Government marketing is inherently political as it pertains to the State, its government and policy. Governments are elected on party political platforms which are then implemented once the party obtains office. Communicating with the public about government policies is fundamental to the political process of government. It can help inform the electorate to which it is accountable and which exercises judgements on the basis of a government’s record.<sup>14</sup>

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<sup>14</sup> The use of public monies for party political purposes was discussed in the Auditor-General’s Annual Report for the year ended 30 June 1997, Part A4, pages 47-52.

Policies that advance public health, safety and education are ready examples of the important uses of marketing that, if successful, are likely to also be beneficial to the political party in government.

Jurisdictional guidelines, including those in this State, uniformly prohibit using public funds for party political marketing. Party political marketing expenditure is of a private nature because it is incurred to advance the electoral prospects of competing political parties.

South Australia's Marketing Communications Guidelines contain requirements to mitigate the risk of advertising being deemed as party political. In particular, under the heading 'Objectives of government communications', the guidelines state that public funds should not be used for communications where:

- the image or voice of a politician is included within the advertising
- the political party in government is mentioned by name
- a reasonable person could misinterpret the message as being on behalf of a political party
- a political party or other grouping is being disparaged or held up to ridicule
- member(s) of the Government are named, depicted or otherwise promoted in a manner that a reasonable person would regard as excessive or gratuitous
- the method or medium of communication is manifestly excessive or extravagant in relation to the objective being pursued.

These restrictions operate in conjunction with the requirements for maintenance of high standards outlined in the Marketing Communications Guidelines. The maintenance of high standards requirements include agencies taking particular care to ensure accuracy and objectivity in the presentation of all facts, and being able to demonstrate that all statements, claims and arguments included in the communication can be substantiated.

The guidance is largely consistent with that of other Australian jurisdictions.

We used these criteria when considering whether campaigns could be perceived by the public to be party political. We found that there were many subjective considerations when making such an assessment. For example, determining whether a communication is manifestly excessive in relation to the objective being pursued involves value judgements that are likely to vary between individuals.

Having applied the guidelines we made observations about the possible perception of political advertising. Our detailed assessment against the guidelines for each campaign is included in Appendices 1 – 7. In our assessment, two campaigns highlighted matters relating to the perception of party political advertising. They are discussed in sections 7.3.2. and 7.3.3.

### **7.3.2 Adelaide Oval Redevelopment brochure**

The Adelaide Oval Redevelopment brochure was produced by DPTI and promotes the changes made to the Adelaide Oval and the Riverbank Precinct, both of which are major government focus areas. It features a welcome from the Premier with an accompanying image. This brochure was not reviewed by GCA or PCAG.



Brochures were provided to patrons on the re-opening of the venue for the Ashes cricket match and were delivered to homes in the surrounding vicinity. The brochure (refer Appendix 2) does not provide a list of services available or other information to enhance attendance at the oval.

The brochure does, however, outline the economic benefits anticipated, the jobs created in the construction industry and the transportable pitch that has been installed, and promotes the riverbank footbridge. While the information is factual and does not directly identify or disparage a political party, it may be argued that the promotional nature of this brochure and the limited immediate audience renders any level of public expenditure unnecessary.

### **7.3.3 Federal Cuts Hurt campaign**

This campaign commenced in 2014 following the Federal Budget in May 2014. In the campaign proposal, its stated purpose was to educate the South Australian public about the impacts on the State of the 2014-15 Commonwealth Government Budget released in May 2014. It also aimed to create awareness about how the public could contribute to discussion about the choices the State Government has to make as a result.

State budget papers annually outline the major financial risks that could affect the fiscal outlook set out in the Budget. The 2013-14 Budget, presented in June 2013, stated that specific purpose and National Partnership payments from the Commonwealth Government accounted for about 20% of State Government revenues, and variations in the level or the conditions applying to these payments have the potential to impact the budget.

This campaign, the most controversial campaign we reviewed and which cost \$1.18 million, was inherently for a political purpose as it pertained to the State, its government and policy. The State Government initiated the campaign in response to significant downward revisions to Commonwealth Government payments to the States in the 2014-15 Commonwealth Government Budget. These downward revisions had national political significance and were also publicly criticised by other state governments in news media. The downward revisions were confirmed in the 2015-16 Commonwealth Government Budget and again drew criticism from state governments.

The campaign was implemented in two phases over the period July 2014 to March 2015. The campaign website remains in place at the time of this Report.

The original proposal for phase 2 of the campaign was to describe solutions and encourage the community to be part of decision-making. This changed to an additional awareness focus and no communication content on solutions. The campaign evaluation focussed on awareness and contact measures. It is not evident how the campaign addressed its objectives to engage with the community on solutions and decision-making.

We consider that a reasonable person could misinterpret the message as being political, as the advertising highlights a dispute with another tier of government, held by an opposing political party, and features the Premier's image on the campaign website. Discussion in the media and correspondence to the Auditor-General shows that this interpretation is held by some sections of the community. However, the campaign clearly indicated it was a State Government campaign and did not include any political party references or identification. We did not find it was for a party political purpose.

We also considered the ‘maintenance of high standards’ requirements outlined in the guidelines, which require accuracy and objectivity in the presentation of all facts.

The first phase of the campaign concerned health and education funding and included the following statements:

- ‘Join the fight to stop the Federal Government killing our health system’.
- ‘Join the fight to stop the Federal Government putting our children’s future at risk’.

The second phase of the campaign utilised a mail-out to pensioners to discuss reductions in pensioner concessions. The mail-out included the following statements:

- ‘It is unfair to expect South Australia to cover the Federal Government’s cruel cuts’.
- ‘The Federal Government has ignored the impact these cuts are having on the lives of South Australians’.

The use of emotive language such as ‘killing our health system’, ‘cruel cuts’ and ‘ignored the impact’ in our view is inconsistent with the objectivity criteria of the ‘maintenance of high standards’ requirements in the guidelines. This reasonably contributes to the perception that this advertising has political motivation rather than providing information to the public in an objective manner.

#### **7.3.4 Audit comment and recommendation**

The media and the public will continue to scrutinise government advertising in terms of whether it is perceived to be party political. While the Government cannot manage all perceptions, it must ensure that reasonable steps are taken to implement a robust governance framework and improve transparency in reporting.

The existing guidelines should be reviewed to strengthen the assessment criteria, where possible. Additional considerations or requirements that may help to reduce the likelihood of a government communication being perceived as party political include the following:

- there must be a direct and obvious benefit to the public
- is it free of political argument?
- no reference or link to politicians’ messages (eg websites)
- no direct attacks on the views, policies or actions of others such as the policies and opinions of opposition parties
- is the tone of the communication overly self-congratulatory?
- is the emphasis of the communication on facts and explanations rather than the merits of proposals?
- is the timing of the communication likely to result in political gains? South Australian caretaker provisions prohibit advertising 28 days from an election. Other States have periods from two months (NSW) to six months (Qld) before a state election.
- is the message presented objectively in tone and content?

In discussing this matter with PCAG representatives, we were advised that PCAG currently assesses whether campaigns are party political and that advertising, by its very nature, is subjective and appeals to emotions to drive change. We were advised that to attempt to remove elements that appeal to emotions will reduce the perceived benefits and impact of these advertising campaigns. It was also perceived that additional requirements in the guidelines would result in a bigger impost on agencies and would be adding unnecessary bureaucracy.

Given the inherent subjectivity of government marketing communications, strengthening the guidelines is not a guarantee that specific communications and advertising will not be viewed as partisan or controversial. We nonetheless consider that active steps taken towards providing clear, practical guidance will enhance public administration and accountability.

We recommend the criteria for defining party political purposes be enhanced to be the equivalent of the most relevant and contemporary used in Australian jurisdictions and organised clearly under a separate and distinct title.

### **Agency response**

GCA continues to support the established practice that politicians should not be represented in paid advertising. A definition of political advertising will be included in the Marketing Communications Guidelines with the next periodic review.

Campaigns that address South Australia's position in the Federation are consistent with the current Marketing Communications Guidelines and not considered political advertising.

#### **7.4 Independent approval of campaigns initiated by the Department of the Premier and Cabinet**

The Federal Cuts Hurt campaign was prepared and managed by DPC. PCAG, at the time the campaign was approved, consisted of four DPC staff, two of whom were advisers to the Premier, and one representative from another government agency.

At the time the second phase of the campaign was approved, PCAG consisted of five members – one staff member from GCA, two staff from DPC and two advisers to the Premier.

While the PCAG process was followed as required by the guidelines, we consider that having only DPC staff and advisers to the Premier potentially limits independent scrutiny and rigour in the review process.

There is subjectivity associated with ensuring that government advertising is consistent with the guidelines. Even though PCAG members were not involved in preparing the campaign, having all members employed in the area of strategic communications and as Premier's advisers cannot, in our view, be regarded as independent.

### **Risk exposure**

Where campaigns are submitted by DPC and reviewed by DPC staff, the independent review process may be compromised.

The absence or dilution of an independent review process is likely to draw criticism and increase the risk that certain campaigns are perceived to be conducted for party political purposes.

### **Audit recommendation**

We recommend that the approval and evaluation of DPC developed campaigns be convened by a marketing expert who is independent of DPC.

### **Agency response**

DPC advised that PCAG members review all submissions against the various marketing communications guidelines and not as representatives of their department. In addition, PCAG membership includes a senior government communications peer. The peer member has at all times been appointed on the basis of being from an agency outside of DPC.

The PCAG terms of reference will be updated to include specific reference to the requirement for the peer member to be from an agency other than DPC.

## **7.5 Campaign evaluation**

Evaluation is required for all campaigns presented to PCAG/GCA for review. The Marketing Communications Guidelines state that the two main reasons for evaluation are to ensure that agencies are accountable for their expenditure of public funds and to enable agencies to improve the effectiveness of their communications.

We found for the Experience Riverbank campaign and the Integrated Transport and Land Use Plan campaign, that the evaluations were submitted to PCAG several months after the scheduled presentation date. In addition, the evaluations did not strongly support the conclusion that the campaigns had achieved their stated objectives. The analyses lacked objectivity and rigour for the following reasons:

- Evaluation methods were identified as part of the campaign submissions but did not have any targets attached to set a benchmark for objective performance analysis.
- The Experience Riverbank campaign evaluation did not address all of the analysis criteria identified in the campaign submission.
- The Experience Riverbank campaign evaluation discussed outcomes of a survey but did not include any supporting data to demonstrate the veracity of the review (for example, the number of surveys handed out or the total number of respondents).
- The costs reported for the Experience Riverbank campaign only covered media placement and printing/production. However the campaign included a website, an information hub and promotional items such as t-shirts. There was no evidence of costs for these activities.

When this was discussed with DPC staff, it was acknowledged that campaign evaluation has since been a strong focus for PCAG and GCA and significant improvements have been made through educating agencies and requesting more objective analysis.

## **Risk exposure**

Failure to objectively evaluate a campaign severely limits the opportunity to make improvements in the future. This may result in advertising and marketing communications not achieving objectives and not efficiently or effectively applying public resources.

## **Audit recommendation**

It is acknowledged that PCAG and GCA have identified this as an area of focus. Continued opportunities for improvement in detailed and objective analysis should be promoted and encouraged with all agencies. This could be achieved by sharing case studies and examples of good evaluation methods across government agencies.

## **Agency response**

DPC advised that PCAG and GCA are committed to continuous improvement in campaign evaluation. GCA will explore the feasibility of undertaking a training session for government marketing and communications staff on developing campaign objectives and evaluation mechanisms.

## **7.6 Approval of campaign amendments**

On 16 October 2013, DPTI presented the Integrated Transport and Land Use Plan campaign to PCAG. The initial media plan presented to PCAG did not include any billboard sites and the creative materials did not include any graphics depicting trams.

DPTI, on the request of the Minister, then prepared an extension of the communication strategy to show the proposed extended tram network, which is discussed in the plan, on a series of billboards around the CBD.

This addition to the strategy was not presented to PCAG but was notified to GCA on 25 October 2013. Amended media plans or creative materials were not provided for review or approval.

GCA staff advised us that the Master Media Agencies, contracted to manage all media placements for government, cannot proceed with booking media for a campaign until a campaign has been reviewed by PCAG/GCA and approved by the relevant Minister. This review and approval is evidenced on a 'Response To Submission' form. This provides a strong control for PCAG and GCA in ensuring that all booked media has been through the process required in the guidelines.

In this instance, an amended media plan was created and media was booked without GCA reviewing and approving the changes.

We were advised that this control has since been reinforced by communicating the requirements with the Master Media Agencies and all government agencies.

In another instance, we noted that the Chair of PCAG approved an extension to phase 1 of the Transforming Health campaign on 20 January 2015. The extension of \$100 000 was to provide for a second round of consultation that was not planned for in the first phase

campaign submission. The budget for this extension was to allow for new animated videos to be created and made available on the dedicated website, briefings and limited paid advertising.

The current guidelines do not articulate how such extensions or additional strategies should be reviewed by PCAG or GCA.

### **Risk exposure**

Amendments to a campaign may not be subject to the same level of scrutiny as the original campaign. This may increase the risk of non-compliant marketing communications being released into the public domain.

### **Audit recommendation**

The guidelines should be amended to require changes to campaign strategies through extensions or additional communication activities to be subject to review by PCAG or GCA.

Appropriate measures should be arranged with the Master Media Agencies to ensure that amendments to campaigns are subject to review by PCAG/GCA.

### **Agency response**

DPC responded that GCA will incorporate a reference in the Guidelines for the Premier's Communications Advisory Group Process with the next periodic review that substantial variations to an approved communications strategy (creative strategy, budget or media plan) will require a further PCAG/GCA approval.

Additionally, the GCA website and PCAG/GCA Response to Submission paperwork (provided to agencies outlining approval requirements) have also been updated to include the reference.

The Master Media Agency will also be reminded of government communications approval requirements.

## **7.7 Timing of campaign submissions to PCAG**

We observed in some instances that campaigns were provided to PCAG for review with little time between the submission and the planned launch and commencement of the campaign.

The role of PCAG is to ensure a strategic, planned and coordinated approach to the SA Government's extensive and diverse marketing communications strategies and programs, and to ensure compliance with the relevant guidelines. On completion of PCAG's review a 'Response to Submission' form which contains PCAG's recommendations is provided to the agency to obtain approval from the Minister.

We noted that some of the recommendations made by PCAG for some of the campaigns submitted were not adopted. The tight timeframes between submission to PCAG and commencement of the campaign increase the risk that PCAG recommendations are not adopted.

Campaign	Campaign submission to PCAG	Campaign launch
Transforming Health Phase 1	Strategy – 3 September 2014 Creative materials – 15 September 2014	21 September 2014
Transforming Health Phase 2	10 February 2015	16 February 2015
Transforming Health Phase 3	11 March 2015	16 March 2015
Integrated Transport and Land Use Plan	23 October 2013	27 October 2013
Federal Cuts Hurt Phase 2	17 February 2015	22 February 2015

### **Risk exposure**

Failure to allow sufficient time to review and implement recommendations limits the value of the PCAG review process. This may result in communication activities being implemented that do not effectively achieve their planned objectives.

### **Audit recommendation**

Agencies should factor sufficient time into the planning process to ensure that the PCAG process can positively contribute to ensuring that government communications comply with the guidelines and are consistent with the strategic, planned approach.

### **Agency response**

DPC advised that GCA continues to promote best practice in the timely development of marketing communications activities.

## Appendix 1: Review criteria for assessing marketing communications/campaigns

Our review assessed each of the selected campaigns against the criteria specified in the Marketing Communications Guidelines and the Guidelines for the Premier’s Communications Advisory Group Process.

The following table summarises the key principles and objectives from these guidelines. If appropriately applied by government they help to establish good governance and accountability over advertising.

Marketing Communications Guidelines	
Section	Key principles
Use of public funds	<p>The use of public funds for government communication programs should be governed by the principles that:</p> <ul style="list-style-type: none"> <li>• government information programs should not be conducted for party political purposes</li> <li>• communication material should be produced and distributed in an efficient, effective and relevant manner with due regard to accountability including consideration of digital delivery methods</li> <li>• individual agencies are responsible for developing and implementing communication of initiatives and actions.</li> </ul>
General principles and objectives	<p>The SA Government may use reasonable levels of public funds for communications and advertising under the following categories:</p> <ul style="list-style-type: none"> <li>• addressing matters of risk to public life and safety</li> <li>• positive public health messages</li> <li>• generating economic activity and/or raising revenue for the State</li> <li>• promoting issues of social benefit and/or cohesion relevant to the broader community.</li> </ul> <p>It is imperative that objectives aim to achieve one or more of the following:</p> <ul style="list-style-type: none"> <li>• maximise compliance with the law</li> <li>• achieve awareness of a new or amended law</li> <li>• raise awareness of a planned or impending initiative</li> <li>• ensure public safety and personal security</li> <li>• assist in the preservation of order in an emergency</li> <li>• promote awareness of rights, responsibilities, duties or entitlements</li> <li>• encourage use of government products and services</li> <li>• encourage social cohesion, civic pride or to help to achieve a widely supported public policy outcome</li> <li>• increase investment, tourism or migration by promoting the State</li> <li>• generate economic activity or raise revenue for the State.</li> </ul>



## Marketing Communications Guidelines

Section	Key principles
Objectives of government communications	<p>Public funds should not be used for communications where:</p> <ul style="list-style-type: none"> <li>• the image or voice of a politician is included within the advertising</li> <li>• the political party in Government is mentioned by name</li> <li>• a reasonable person could misinterpret the message as being on behalf of a political party or other grouping</li> <li>• a political party or other grouping is being disparaged or held up to ridicule</li> <li>• members of the Government are named, depicted or otherwise promoted in a manner that a reasonable person would regard as excessive or gratuitous</li> <li>• the method or medium of communication is manifestly excessive or extravagant in relation to the objective being pursued</li> <li>• there is no clear line of accountability, appropriate audit procedures or suitable purchasing process for the communication process.</li> </ul>
Premier's Communications Advisory Group (PCAG)	Approval through the PCAG process is required for all government marketing communications activities prior to entering the public domain.
PCAG approval process requirements	<p>All communication activities subject to PCAG approval must:</p> <ul style="list-style-type: none"> <li>• be strategically sound with clear objectives and a budget appropriate to achieving the desired outcomes</li> <li>• have an appropriate and measurable evaluation methodology developed prior to launch of the activity</li> <li>• be consistent with government policy and strategic priorities</li> <li>• comply with all guidelines and policies</li> <li>• be approved in writing by PCAG or GCA.</li> </ul>
Government Master Media Agency	All media bookings for advertising must be channelled through the appointed Master Media Agency(s).
Evaluation	<ul style="list-style-type: none"> <li>• All agencies submitting a campaign for approval must nominate measureable evaluation criteria that reflect the objectives of the campaign in advance.</li> <li>• All communication activities should be evaluated regardless of extent or budget. The complexity and extent of the evaluation will be governed by the magnitude of the activity and the outcomes to be measured.</li> <li>• Evaluation should be conducted in a professional and objective manner.</li> </ul>

### Marketing Communications Guidelines

Section	Key principles
Maintenance of high standards	<p>The SA Government requires that all government communications comply with the highest standards of fairness, equity, probity and public responsibility, taking particular care to ensure:</p> <ul style="list-style-type: none"> <li>• accuracy and objectivity in the presentation of all facts, statistics, comparisons and other arguments, ensuring that the source of all data is indicated or that a means for identifying the data source is provided within the communication</li> <li>• all statements, claims and arguments included in the communication can be substantiated.</li> </ul>

### Guidelines for the Premier's Communications Advisory Group Process

Section	Key principles
Communications campaign approval process	<ul style="list-style-type: none"> <li>• Campaigns with a value of up to \$200 000 can be approved by GCA under delegation from PCAG.</li> <li>• Communication campaigns with a total value over \$200 000 require PCAG approval.</li> <li>• Internal departmental and ministerial approval, including PCAG 'Response to Submission' form, is required for campaigns with values from \$20 000 to \$200 000.</li> <li>• Internal departmental/agency approval is required for campaigns under the value of \$20 000.</li> </ul>

Detailed in the following sections is our assessment of campaigns against the various principles, standards and requirements listed in the table above. Our assessment is categorised by the section of the guidelines from which the principles have been drawn.

## Appendix 2: Campaign review – Adelaide Oval Redevelopment brochure

### Date released

December 2013.

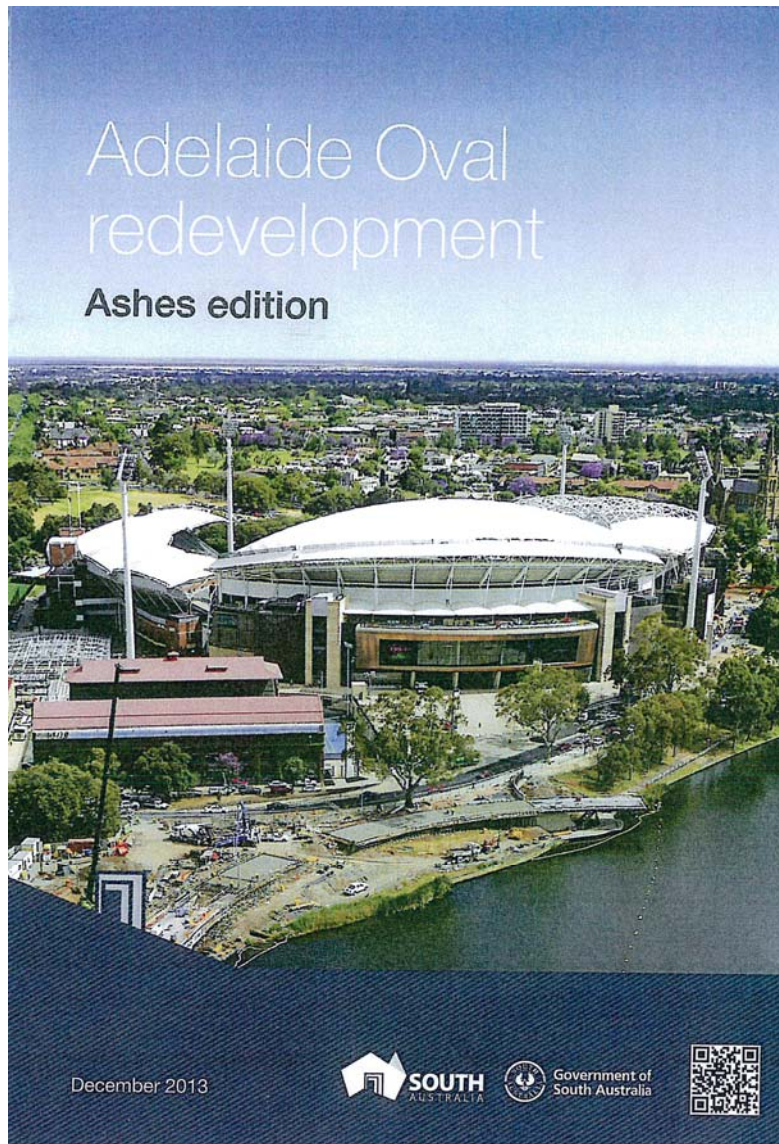
### Summary of the marketing communication/campaign

A brochure, printed by the Department of Planning, Transport and Infrastructure (DPTI), for distribution at the re-opening of the redeveloped Adelaide Oval for the Ashes Test cricket match held in December 2013.

This brochure was also distributed to homes in the areas surrounding the Adelaide Oval.

### Images

Sample images of the Adelaide Oval Redevelopment brochure.





did you know...



Jay Weatherill, Premier of South Australia

## a great venue for a great city

Put your ear to the ground and you'll hear people talking about a renewed sense of energy around Adelaide - about a new buzz in the air.

Increasingly, they speak of a city reinventing itself.

Nowhere is this better illustrated than right here at the Adelaide Oval.

Whether you are a local or one of the many visitors to our annual Test Match, for many people this will be a first look at the amazing work that has been done to turn one of the world's great cricket grounds into one of the world's great sport and entertainment venues.

Many, like me, have been excited by what they see - and that's before the redevelopment is even finished.

The Adelaide Oval is the centrepiece of Adelaide's emerging Riverbank Precinct and is integral to our aim of building a stronger South Australia and making our capital one of the world's great small cities.

A concerted effort has resulted in the city once again embracing the river it had for so many years physically and figuratively turned its back on. Through construction of a new landmark footbridge, strategically linking public transport hubs and our emerging network of vibrant, cultural and culinary laneways, people are rediscovering this city.

In fact the oval's re-emergence as an international venue coincides with Adelaide's growing presence on the world stage. We were recently recognised by Lonely Planet as one of the top 10 worldwide destinations to visit in 2014.

Both our city and our oval are reaching their potential and in turn putting South Australia firmly in the spotlight - starting in earnest with this, the Second Ashes Test Match of the 2013/14 summer.

It is the first in a series of milestone moments for the venue that will follow completion of the Eastern Stand and the redevelopment itself.

These include the world-famous Rolling Stones' largest outdoor production in Australia next March, the arrival of AFL premiership season football and a marquee fixture between cricket's fiercest rivals - India and Pakistan at the 2015 Cricket World Cup.

We will also host a World Cup Quarter Final - destined to feature Australia as the host nation.

Just like the city, a venue with the proudest of histories has the brightest of futures.

Welcome to the Adelaide Oval.

## Review against the criteria

### Use of public funds

While the brochure is not overtly promoting a political party there are numerous other factors, including the planning, timing, tone of language used in the communication, and the targeted audience that may influence judgement on the purpose of this communication. However, these factors are highly subjective and can be argued for and against.

This promotional brochure, which celebrates the delivery of a new facility constructed under the governance of the political party in government, was delivered only a few months before a State election. The Ashes event took place from 5-9 December 2013. The State election followed on 15 March 2014. This may give the perception that the brochure was produced for party political purposes to promote the achievements of the political party in government. Alternatively, it could be argued that it was an appropriate time to provide the public with information about this new facility being opened to the public.

The three month period between the event and the election is not unreasonably close when compared to jurisdictional standards. South Australian caretaker provisions prohibit advertising 28 days from an election. Other States have periods from two months (NSW) to six months (Qld) before a state election.

External communications received by the Auditor-General indicate that some in the community considered this brochure to be a party political communication. In our assessment the brochure did not breach the restrictions listed in the guidelines relevant to assessing use for party political purposes (refer 'Objectives of government communications' below).

With regard to efficient and effective delivery, this was a low cost communication with printing and delivery expenditure incurred by DPTI being less than \$15 000. This, however, does not mean it effectively or efficiently achieved its purpose. This campaign did not go through the Premier's Communications Advisory Group (PCAG) review process and there was no documented communication plan. We were advised by DPTI that this brochure was requested at the ministerial level around two weeks prior to the Ashes Test match. The lateness of the request, allowing for design and printing time, made it a fast turnaround task to produce in time for distribution.

### **General principles and objectives**

The Adelaide Oval Redevelopment brochure discusses new features of the redeveloped oval, aspects of construction, creation of jobs and anticipated economic benefits, and provides some information about the riverbank footbridge.

The brochure information is consistent with the principle of promoting a sense of pride and achievement in the redeveloped oval.

We considered that the overall communication did not fit neatly into any of the categories discussed in the guidelines. For example, it is not addressing matters of risk to safety or positive health messages. The brochure also does not provide information that specifically discusses additional facilities or events to be held and therefore we find it difficult to place this communication in the category of generating economic activity.

The promotion of the Adelaide Oval in this brochure could potentially be considered to promote issues of social benefit or cohesion. Limiting the distribution of the brochure to people attending the first Ashes Test match and to homes surrounding the Adelaide Oval, however, does not seem consistent with this as an overall objective.

This brochure was not provided to the Government Communications Advice Unit (GCA) or PCAG for review. As a result, we believe that this particular marketing activity was not planned with the level of rigour that may have occurred if it were subject to the review process.

### **Objectives of government communications**

The application of public funds for the production and distribution of this brochure did not breach the restrictions listed in the guidelines relevant to assessing use for party political purposes. The brochure does, however, include the image of a politician in the foreword.

We were advised by the Executive Director, Strategic Engagement and Communications that advertising relates only to paid media, such as television, radio and billboards that are booked through a third party. Therefore in PCAG's categorisation the restriction above does not extend to brochures, social media and other forms of communication.

In our view, persons who are not marketing professionals evaluating the use of public funds will not readily form this view and are more likely to criticise the Government for breaching guidelines. To resolve this issue for future campaigns the definition of advertising should be included in the guidelines to make the requirements clearer to the general public.

In addition we concluded that further restricting the use of images of politicians in other forms of marketing communications may help to limit the perception that public funds are being used for party political advertising.

#### **Premier's Communications Advisory Group**

This brochure was not provided to PCAG or GCA for review.

#### **Premier's Communications Advisory Group approval process requirements**

This brochure was not provided to PCAG or GCA for review.

#### **Government Master Media Agency**

Not applicable. This marketing activity did not involve any media placement.

#### **Evaluation**

There was no evaluation provided to PCAG or GCA for this marketing activity.

#### **Maintenance of high standards**

The guidelines require agencies to take particular care to ensure that information presented to the public can be substantiated. The brochure does not provide any reference for the public to check the accuracy of information provided in the brochure.

We were able to find an educational resource on the [www.adelaideoval.com.au](http://www.adelaideoval.com.au) website and much of the information in the brochure was consistent with the information in the educational resource. We did note, however, minor discrepancies in the value of the economic benefits stated in the brochure of \$114 million p.a. while the educational resource stated \$111 million p.a. In addition the brochure stated total attendances at the redeveloped Adelaide Oval would increase from 434 000 to 1.441 million while the educational resource stated increases from 399 000 to 1.371 million.

#### **Communications campaign approval process**

This campaign was not reviewed or approved by PCAG or GCA. It was prepared by DPTI upon request from the Minister.

## Appendix 3: Campaign review – Experience Riverbank brochure

### Date released

December 2013.

### Summary of the marketing communication/campaign

The Experience Riverbank campaign was created by the Department of Planning, Transport and Infrastructure (DPTI) to promote and encourage activation of the Riverbank's entertainment precinct and reset people's thinking about the place and how they use it.

The campaign included a booklet insert into the Saturday Advertiser, advertisements in Messenger newspapers, out-of-home advertisements (bus-backs, scooter advertising, Adelaide Railway Station banners and posters on public transport), radio and digital advertising and a promotional website.

### Images

Sample images of the booklet insert in The Advertiser.



### Premier's Foreword



Lonely Planet, leading guidebook publisher and global travel authority, recently named Adelaide as one of the world's top 10 cities to visit in 2014. This recognition followed the city's 8th place in The Economist's list of most liveable cities in the world in 2013.

The level of excitement is growing in Adelaide. The opening of the redeveloped Adelaide Oval and the new pedestrian bridge, which will magnetise the Riverbank Precinct, is adding to the sense of anticipation that now pervades our city.

The footbridge will temporarily open on 6 December 2013 to provide easy access to Adelaide Oval throughout the Aches Test.

The Riverbank Precinct links the key buildings and public spaces on both sides of the River Torrens, making it easy for locals and tourists to visit and enjoy these diverse attractions.

This Precinct calendar pulls together an exciting range of events and performances scheduled from December this year through to the end of March 2014.

Looking at this calendar firms my conviction that the Riverbank will become a much-loved destination for residents and visitors alike.

There's something here for everyone, so I invite you to come along and Experience Riverbank - Adelaide's fabulous entertainment precinct.

Jay Weatherill  
Premier of South Australia

[experience.riverbank.sa.gov.au](http://experience.riverbank.sa.gov.au)

3

### Review against the criteria

#### Use of public funds

The campaign is centred on promoting a number of events to be held in the Riverbank Precinct and therefore has a clear purpose. Engaging the community in events is part of the

Government's role and therefore we consider that this campaign has not been conducted for party political purposes.

With regard to efficient and effective delivery, we note that the campaign evaluation undertaken by DPTI, identifies that the campaign achieved the objectives established in the campaign submission to the Premier's Communications Advisory Group (PCAG).

### **General principles and objectives**

As stated in the campaign submission provided to PCAG, the objectives of this campaign included raising awareness of a planned or pending initiative and encouraging social cohesion, civic pride and community spirit.

The marketing material produced is consistent with the general principles and objectives of the Marketing Communications Guidelines.

### **Objectives of government communications**

The application of public funds to produce and distribute this brochure did not breach the restrictions listed in this section of the guidelines, with the exception of the inclusion of the image of a politician, the Premier, in the foreword.

As discussed under the assessment of the Adelaide Oval Redevelopment brochure, we were advised that advertising relates only to paid media such as television, radio and billboards that are booked through a third party and therefore the requirement above does not extend to brochures, social media and other forms of communication.

The brochure was included as an insert in the Saturday Advertiser and was organised through the Master Media Agency. As this brochure was provided through paid media booked through a third party, we consider it falls within the definition of advertising as understood by the marketing profession. It is our opinion that the inclusion of a politician's image within this marketing material has breached the guidelines.

### **Premier's Communications Advisory Group**

This campaign was presented to PCAG in October 2013.

PCAG recommended the campaign to the Minister for approval on 23 October 2013, subject to the final media schedule and creative suite being provided to the Government Communications Advice Unit (GCA) for approval.

### **Premier's Communications Advisory Group approval process requirements**

The objectives of the campaign and the budget were clearly stated in the campaign submission provided to PCAG. The marketing material is consistent with the objectives of the campaign.

The evaluation methodology broadly states that attendance at events, calls and inquiries to event organisers, media coverage and digital analytics will be used to evaluate the success of the campaign. We noted, however, that there are no targets or benchmarks set by which the



campaign can be evaluated against expectations. We consider that this limits DPTI's ability to completely and objectively evaluate the effectiveness of the marketing campaign.

As discussed above, the campaign was reviewed by PCAG and recommended for approval to the Minister.

### **Government Master Media Agency**

Media placements, including brochure inserts into The Advertiser, were booked through the Master Media Agency.

### **Evaluation**

The campaign evaluation was initially due to be presented to PCAG in May 2014. The evaluation, however, was not presented until 8 October 2014. PCAG meeting minutes state that PCAG discussed the evaluation and noted it achieved its required objectives.

Our review of this campaign evaluation, however, concluded that it lacked appropriate detailed analysis to support how the campaign achieved the stated objectives. As the campaign submission did not identify targets or goals it was not possible to adequately determine from the evaluation whether expectations were satisfied.

The evaluation method included in the campaign submission stated that there would be analysis of:

- attendance at events and initiatives
- calls and enquiries to event organisers
- media coverage
- digital analytics.

The evaluation stated that more than 42 000 people took the opportunity to cross the bridge from the Adelaide Oval to the Riverbank Promenade. Although this was a considerable number of people using the riverbank footbridge, in the absence of targets it was not possible to know whether this number was in excess of or below expectations.

We noted that the evaluation did not include any analysis or discussion about calls or enquiries to event organisers.

The campaign evaluation recorded campaign expenditure for media and printing/production costs. We noted that the campaign costs did not directly match with the various elements of the campaign and did not include campaign development or market research. For example a website formed part of the communication strategy but there are no costs recorded for web development.

The Marketing Communications Guidelines highlight that the importance of evaluation is to ensure accountability and to enable continuous improvement. Without clear targets and detailed analysis of how each element of the marketing has performed against the budget allocation, we are of the opinion that there was insufficient information to enable DPTI to make informed decisions about improving communication strategies.

### **Maintenance of high standards**

As the advertising content is directed towards promoting a specific program of events, there is no informational content that needs to be referenced or substantiated. The advertising material did direct the target audience to a dedicated website [www.experienceriverbank.sa.gov.au](http://www.experienceriverbank.sa.gov.au) to provide further information.

### **Communications campaign approval process**

The campaign was approved by PCAG and the Minister as required by the guidelines.

## **Appendix 4: Campaign review – Federal Cuts Hurt**

### **Date released**

Phase 1: July 2014.

Phase 2: February 2015.

### **Summary of the marketing communication/campaign**

This campaign was prepared by the Department of the Premier and Cabinet (DPC). The 2014-15 Commonwealth Government Budget announced significant decreases in specific purpose and National Partnership payments to the States. These decreases had national political significance and were publicly criticised by other state governments in news media.

The campaign proposal stated that research showed low levels of understanding and awareness about the significance of the Commonwealth Government not meeting funding commitments to South Australia, particularly from the National Health Reform Agreement and the National Education Reform Agreement. It noted the campaign would educate and inform South Australians about the problem and describe the possible solutions. It also stated that it was vital to increase public awareness about the negative impacts of the cuts on South Australia and engage the broader community in the State's response to the cuts.

The stated objectives of this campaign were to inform the South Australian public about:

- the size and impact of the Commonwealth Government funding cuts
- why the State Government is fighting the cuts and how the community can oppose the cuts
- the choices the State Government has as a result of the Commonwealth Government cuts and how people could contribute to discussion on these choices.

Phase 1 of the campaign commenced in July 2014 and incorporated television, press and digital advertising, social media engagement and a website in the communication strategy.

Phase 2 in February 2015 included television and digital advertising, direct marketing, social media engagement and a dedicated website as the primary methods of communicating the message.

The 2015-16 Budget tabled on 18 June 2015 noted the following:

*The 2015-16 Commonwealth Government Budget delivered on 12 May 2015 contained some positive measures for small business but did not reverse the massive cuts in funding to the states announced in the 2014-15 Commonwealth Government Budget in the key areas of health and education and also for several key National Partnership agreements.*

*The 2014-15 Commonwealth Budget cut states and territories' health and education funding by \$80 billion over 10 years. That is a \$5.5 billion cut for South Australia. That will place strain on the ability of state governments to maintain current service levels.<sup>15</sup>*

## Images

Sample images of the press advertising from phase 1.

The Federal Government is cutting  
**\$335 Million**  
from SA's schools over  
the next 6 years

THE LARGEST EVER CUT TO EDUCATION

EVERY STUDENT  
will be affected

EQUIVALENT TO

employing  
**3,000**  
teachers

AND LESS RESOURCES

TO GIVE CHILDREN  
individual support

Join the fight to stop the Federal  
Government putting our children's  
future at risk  
[www.federalcutshurt.com.au](http://www.federalcutshurt.com.au)

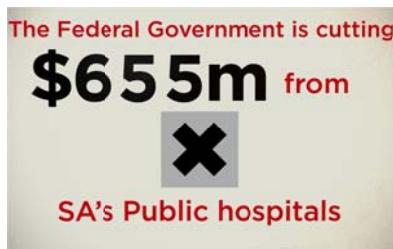
**FEDERAL  
CUTS  
HURT**

Authorised by J. Hoyle, South Australian Government, Adelaide  
Government of  
South Australia

<sup>15</sup> 2015-16 Budget Paper 3 'Budget Statement', page 57.

## Phase 1 television commercials

### Images



### Transcript of television commercials

Voice over:

The Federal Government is cutting \$655 million from our public hospitals over the next four years.

That's the equivalent of 600 beds gone, closing a hospital or 3000 nurses.

It's the biggest ever cut to our hospitals and it will double elective surgery waiting times. And that's just the start.

Join the fight to stop the Federal Government killing our health system.

Authorised by J Moule, South Australian Government Adelaide



Voice over:

The Federal Government is cutting \$335 million from South Australian schools over the next six years. That's the equivalent cost of employing 3000 teachers and it means less resources to give children the individual attention they need.

It is the largest ever cut to education and every student in the State will be affected.

Join the fight to stop the Federal Government putting our children's future at risk.

Authorised by J Moule, South Australian Government Adelaide

## Phase 2 direct mail-out to pensioners



Hon Jay Weatherill MP  
Premier of South Australia



047-5087 (13243)



Dear Sir/Madam

### Federal Budget cuts to your concessions

Like you, I am concerned by the deep cuts to health, education and concessions in last year's Federal Budget.

**The Prime Minister, Tony Abbott, cut about \$30 million a year from concessions on your electricity, water and council rates.**

To protect low-income earners and pensioners the South Australian Government chose not to pass this cut on in the first year. That means South Australian taxpayers have already paid about \$30 million to stop this Federal Government cut being passed on to you.

The Federal Government has ignored the impact these cuts are having on the lives of South Australians.

It is unfair for the Federal Government to expect South Australia to cover their cruel cuts.

If the Federal Government reverses its unfair cuts to South Australia, the council rate concessions will be reinstated immediately.

The South Australian Government will continue to fight the cuts by the Federal Government to health, education and concessions and stand up for all South Australians.

I strongly encourage you to join the campaign to have these unfair cuts reversed at [www.FederalCutsHurt.com.au](http://www.FederalCutsHurt.com.au) or contact your local Member of Parliament.

Yours sincerely,

A handwritten signature in black ink that reads 'Jay Weatherill'.

Jay Weatherill  
PREMIER

***P.S. For details on State Government concessions you may be eligible for, please turn over.***

## Phase 2 television commercials



Transcript of 30 second television commercial for cuts to education	Transcript of 30 second television commercial for cuts to pensioner concessions
<p>Child reading in background...</p> <p>Dad: I just don't get it. The Federal Government's cut \$335 million from SA schools.</p> <p>Mum: That money is to give kids the individual attention that they need.</p> <p>Dad: It's another broken promise to families like us.</p> <p>Mum: And you know that he has trouble with his reading, he needs the extra attention.</p> <p>Dad: You pay taxes for basic things like education.</p> <p>Voice Over: Join the fight to stop the Federal Government's cuts.</p> <p>Authorised by P Flanagan, South Australian Government Adelaide.</p>	<p>Pensioner 1: Did you hear that the Federal Government has cut our pensioner concessions?</p> <p>Pensioner 2: That's terrible.</p> <p>Pensioner 1: Yes. Electricity, water, council rates, public transport.</p> <p>Pensioner 2: What on top of the reduction of our fortnightly pension? No, they have no idea how hard it is.</p> <p>Pensioner 1: They just don't care</p> <p>Voice Over: Join the fight to stop the Federal Government's cuts.</p> <p>Authorised by P Flanagan, South Australian Government Adelaide.</p>

## Review against the criteria

### Use of public funds

The campaign was aimed at creating awareness in the community of the impacts of federal funding reductions and encouraging the public to demonstrate their support for rejecting the Commonwealth Government's budget decisions. The impact of budget reductions is a matter that affects the community. The 2013-14 Budget, presented on 6 June 2013, stated that specific purpose and National Partnership payments from the Commonwealth Government accounted for about 20% of State Government revenues and variations in their level or the conditions applying to these payments have a potential to impact the budget.

We consider that as it involved a dispute between the State and Commonwealth Governments which are from opposing political parties this campaign was difficult to keep out of the political sphere.

The Auditor-General received communications indicating that individuals in the community viewed this communication as party political.

Our assessment against the guidelines, detailed in the following sections, did not find persuasive evidence that this campaign was for a party political purpose. We did find that it was inherently for a political purpose as it pertained to the State, its government and policy.

With regard to efficient and effective delivery, we note that the campaign evaluation undertaken by DPC identifies that the campaign achieved or over-achieved the objectives established in the campaign submission to the Premier's Communications Advisory Group (PCAG).

### **General principles and objectives**

The campaign submission states that the objectives of the campaign are to raise awareness of a planned or impending initiative, promote awareness of rights, responsibilities, duties or entitlements, encourage social cohesion and help to achieve a widely supported public policy outcome.

We agree that the marketing materials in this campaign are consistent with the objectives of the campaign, which is seeking to help to achieve a public policy outcome to minimise Commonwealth funding cuts to the State.

### **Objectives of government communications**

The guidelines provide a number of restrictions, stating where public funds should not be used for communications. As this campaign was the most contentious reviewed, our assessment of each of the restrictions is summarised below.

#### ***The image or voice of a politician is included within the advertising***

The Premier is not included in the television commercials or print advertisements but an image of the Premier is included on the website [www.federalcutshurt.com.au](http://www.federalcutshurt.com.au). As discussed, DPC does not consider websites to fall within the definition of advertising and therefore maintains it has complied with the guidelines. We consider that there is reasonable scope for the general public to misunderstand this requirement within the guidelines as applying to all marketing communications, including websites. The web page was integral to the overall campaign, being informative and a means for action. The campaign evaluation in June 2015 noted in excess of 76 000 hits on the website, exceeding the target 50 000.

#### ***The political party in Government is mentioned by name***

The communication content does not mention the political party in government.

#### ***A reasonable person could misinterpret the message as being on behalf of a political party or other grouping***

This campaign does not make reference to the particular parties in government at the State and Federal levels. The campaign is critical of the Commonwealth Government's decision and highlights the negative impacts of the Commonwealth budget cuts for the State. As the State and Commonwealth Governments were held by different political parties, we consider that the risk of a reasonable person misinterpreting the message as being on behalf of the political party is increased significantly.



***A political party or other grouping is being disparaged or held up to ridicule***

The Oxford Dictionary defines ‘disparage’ as representing something as being of little worth and to ‘ridicule’ is to subject someone or something to contemptuous and dismissive behaviour. Whilst the advertising content is critical of the Commonwealth Government’s budgetary decision and the resultant impacts on the State, we are not of the view that the advertising is dismissing the Commonwealth Government nor representing them to be of little worth.

***Members of the Government are named, depicted or otherwise promoted in a manner that a reasonable person would regard as excessive or gratuitous***

Members of the Government are politicians and therefore this restriction appears to be contradictory to the first restriction which states that public funds should not be used for communications where ‘the image or voice of a politician is included within the advertising’. The matter of the definition of advertising is discussed in Appendix 2 under the heading ‘Objectives of government communications’.

A message from the Premier, along with his image, is included on the website [www.federalcutshurt.com.au](http://www.federalcutshurt.com.au) promoting this campaign. We do not consider the Premier’s message and image to be excessive or gratuitous. It is consistent with his role as the Premier of this State in a dispute with another Government.

***The method or medium of communication is manifestly excessive or extravagant in relation to the objective being pursued***

The objective pursued for this campaign was to reach the primary target audience of household decision-makers to educate and encourage them to become involved in fighting against the Commonwealth Government’s budget.

The campaign used numerous forms of communication, from direct mail to television and digital advertisements, and was established with a total budget of \$1.1 million for phases 1 and 2 of the campaign.

To reach the broad target audience for this campaign, it is reasonable to expect that significant expenditure would be required. What that amount should be, without being excessive or extravagant, is inherently difficult for us to judge and also requires consideration of the broader circumstances. For example, expenditure of \$1 million may be deemed reasonable within the agency’s overall budget, but may be considered excessive and extravagant if the agency is having to make cuts in other expenditures.

***There is no clear line of accountability, appropriate audit procedures or suitable purchasing process for the communication process***

The campaign was prepared by DPC staff in the Government Marketing and Communication Group, and approved by the Premier. The campaign was evaluated in June 2015. We did not consider the purchasing processes as part of this review.

**Premier’s Communications Advisory Group**

Phase 1 of this campaign was approved by PCAG in July 2014 and phase 2 in February 2015. In March 2015 an amendment to the communication strategy was also approved by PCAG.

In July 2014 and February 2015, PCAG consisted primarily of DPC staff and advisers to the Premier.

We consider that having DPC staff and advisers to the Premier reviewing campaigns prepared by DPC has the potential to limit independent scrutiny and rigour in the review process.

### **PCAG approval process requirements**

A campaign submission was prepared for phases 1 and 2, which outlined the objectives, communication strategies and budget for the campaign. The submission also contained an evaluation methodology with measurable targets, including the expected number of hits to the campaign website, social media analytics and an increase in the number of South Australians who understand the size and impact of the Commonwealth Government funding cuts to the State.

We observed that phase 2 of the campaign did not directly align with the original documented objectives of the campaign. The original PCAG submission stated that phase 2 was to 'describe the possible solutions and encourage the community to be part of making this decision for the State. To do this, trusted voices (nurses, doctors, teachers) will be used to state the problem and then describe these possible solutions'.<sup>16</sup>

Instead, the focus for phase 2 shifted to highlighting cuts to pensioner concessions and education costs. There did not appear to be any communication content focussing on solutions to the federal budget cuts. We queried this shift in strategy for the campaign and were advised by DPC that the campaign evolved to respond to circumstances present at the time the second phase of the campaign was prepared.

The change to phase 2 of the campaign meant it was focussed on awareness rather than also relating on solutions.

### **Government Master Media Agency**

Media bookings were made through the Master Media Agency.

### **Evaluation**

An evaluation of the entire campaign was initially scheduled for presentation to PCAG in January 2015. However, phase 2 of the campaign was postponed due to by-elections being held in December 2014 and January 2015.

There was no evaluation performed on phase 1 of the campaign prior to phase 2 proceeding.

Although this is not a direct requirement of the current guidelines, we consider it prudent in any staged marketing arrangement to ensure that there is some level of evaluation before proceeding to the next stage.

The campaign was evaluated in June 2015. The evaluation concluded the campaign over-achieved its media coverage and achieved on awareness, understanding, website hits and Facebook analytics.

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<sup>16</sup> 'Campaign Submission for the Federal Cuts Hurt Campaign', DPC, submitted to PCAG on 27 June 2014.

The evaluation also noted:

- that campaign materials may have been perceived to take a political posture on the subject matter presented
- considerable public comment both in favour and against its messaging
- some people questioned the use of State Government resources for the campaign.

### **Maintenance of high standards**

The Marketing Communications Guidelines require all government communications to comply with the highest standards of fairness, equity, probity and public responsibility, taking particular care to ensure accuracy and objectivity in the presentation of facts, statistics and other arguments. All statements, claims and arguments must be able to be substantiated and a means for identifying the data source should be included in the communication.

The primary claims contained in the communications for phases 1 and 2 of the campaign were:

- \$30 million p.a. has been cut from concessions on electricity, council rates and water. The SA Government has chosen not to pass this cut on in the first year
- cuts to pensioner concessions include electricity, public transport, water and council rates amount to \$123 million over four years. This is in addition to a reduction of the fortnightly pension
- \$335 million has been cut from SA schools over six years, the equivalent cost of employing 3000 teachers
- \$655 million has been cut from public hospitals over the next four years, the equivalent of 600 beds gone, closing a hospital or 3000 nurses.

We requested from the General Manager, Government Marketing and Communication (the officer responsible for the campaign) and the Executive Director, Strategic Engagement and Communications, evidence to support the claims made in the campaign. In response, we were referred to documentation maintained on the [federalcutshurt.com.au](http://federalcutshurt.com.au) website:

- Senate Select Committee – Inquiry into the Abbott Government’s Budget Cuts. Submission from the South Australian Government dated October 2014
- South Australia’s Response. The 2014-15 Commonwealth Budget Cuts
- Impacts of the 2014-15 Federal Budget Measures on South Australia dated October 2014. Report prepared by the Australian Workplace Innovation and Social Research Centre (WISeR, University of Adelaide) for the Department of the Premier and Cabinet.

We noted that the Senate Select Committee Report and the University of Adelaide’s, WISeR Report are dated October 2014. This campaign commenced in July 2014.

In reviewing this material against the primary claims contained in the communications for phases 1 and 2 of the campaign we noted:

- a \$335 million reduction to SA school funding

- a \$655 million reduction to SA health funding
- a \$123 million reduction to concession funding over four years of the forward estimates (about \$30 million p.a.) is stated in South Australia's response to the 2014-15 Commonwealth budget cuts with no further detail provided
- 'Senate Select Committee – Inquiry into the Abbott Government's Budget Cuts. Submission from the South Australian Government. October 2014' discusses the State Government response to provide concession on local government rates for a further year but does not provide any further details about cuts to concessions. It is not clear from this report that pensioner concessions, other than concessions for council rates, are to be abolished
- the WISeR report does not provide any further discussion about pensioner concessions or the impacts thereof.

We were also referred to the University of Adelaide's WISeR Report as an independent source of the presented facts. We noted on page 11 of the report under section 4.1 'Data and Assumptions' that 'the Commonwealth funding reductions in South Australia's health and school systems were provided in current dollars (2014-15) by South Australia's Department of the Premier and Cabinet to WISeR.' These are the dollar amounts that are referenced in the advertising material.

When we queried with DPC staff how claims made in the campaign had been reviewed and checked for accuracy, we were advised that the Department of Treasury and Finance had supplied and checked the data. While supporting information and calculations could be sourced from the Department of Treasury and Finance when we requested it, we found that insufficient documented evidence was maintained by DPC to support the claims made in the campaign.

To help validate the accuracy of the claims made in this campaign, we undertook a further review with the following results:

- We confirmed that the total value of the cuts to health (\$655 million) was recorded in the 2014-15 Budget Papers. We had confirmed how this amount was determined in the Auditor-General's Annual Report for the year ended 30 June 2014.<sup>17</sup>
- We were provided with the calculations to support the claims that the \$655 million reduction in health funding is equivalent to 600 hospital beds, the closure of one hospital or 3000 nurses. The calculations, based on the reduction of funding in the 2017-18 financial year, used information that could be traced to independent data.
- We were advised by DPC that the information used in the calculations to support the claims that the reduction of funding is equivalent to 600 hospital beds, the closure of one hospital or 3000 nurses was disclosed on the [www.federalcutshurt.com.au](http://www.federalcutshurt.com.au) website at the time the commercials were run. This supporting information was not present on the website at the time of our review.

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<sup>17</sup> Report of the Auditor-General for the year ended 30 June 2014, Part C: 'State finances and related matters', page 46.

- We confirmed the total value of the cuts to pensioner concessions (\$123 million) against the reduction of funding recognised in the 2014-15 Budget Papers prepared by DTF. We also checked the reasonableness of the reductions against the National Partnership Agreement for Certain Pensioner Concession Card and Seniors Card Holders (the Agreement). We noted that the Agreement is due to expire on 30 June 2016. The Budget Papers include two years of funding beyond the expiry of the Agreement. The reductions shown in 2016-17 and 2017-18 that extend beyond the life of the Agreement are valued at \$63.5 million.
- We could not confirm the claim made that the cuts to pensioner concessions are in addition to a reduction in the fortnightly pension. We noted that the 2014-15 Commonwealth Government Budget proposed reductions to pensioner entitlements (via concessions), restricting eligibility for a range of programs that provide assistance to pensioners and making changes to the indexation of pensions in 2017 and beyond. There were, however, no direct cuts to pensions discussed.
- We confirmed the funding cuts of \$335 million to education over six years with data provided by the Department of Treasury and Finance.
- We were provided with the calculation to support the claim that the \$335 million cut from education over six years is equivalent to the cost of employing 3000 teachers. We note that this claim relates to the equivalent cost of 3000 teachers for one year. This has not been explicitly stated in the advertising material.

Extra care is also required by the guidelines to ensure objectivity in presenting facts and arguments. We consider that the level of objectivity demonstrated in aspects of this campaign is compromised by the use of emotive and unsubstantiated words and phrases, including the following examples:

- The first phase of the campaign concerned the health and education funding and included the following statements:
  - *Join the fight to stop the Federal Government killing our health system.*
  - *Join the fight to stop the Federal Government putting our children's future at risk.*
- The direct mail-out to pensioners repeatedly uses the phrase 'cruel cuts' and states that 'the Federal Government has ignored the impact these cuts are having on the lives of South Australians'.
- The phase 2 television commercial which depicts two pensioners discussing the cuts to pensioner concessions includes the words 'They just don't care' in reference to the Commonwealth Government.

### **Communications campaign approval process**

This campaign was approved by PCAG for phases 1 and 2.

The Premier approved the original campaign submission, which discussed the two-phased approach to this campaign.

## Appendix 5: Campaign review – Integrated Transport and Land Use Plan campaign

### Date released

October 2013.

### Summary of the marketing communication/campaign

This campaign was prepared by the Department of Planning, Transport and Infrastructure (DPTI), with the objective of positioning the draft Integrated Transport and Land Use Plan for South Australia as the key planning document driving transport investment over the next 30 years. The campaign also aimed to raise awareness about the draft plan and encourage community feedback and engagement.

The campaign was planned to involve press advertising, digital media, radio, out-of-home advertisements and community engagement.

Billboards depicting an extended tram network were added into the campaign shortly after the campaign had commenced, by ministerial request.

### Images

The following is the ProspectLINK creative material that was displayed on a billboard on the corner of North Terrace and Frome Road, Adelaide.



## Back of bus advertising



## Creative material used in the campaign



## Review against the criteria

### Use of public funds

One of the primary objectives of this campaign was to raise awareness about the draft Integrated Transport and Land Use Plan and encourage community feedback and engagement. Community consultation is a necessary part of governing and we consider that reaching out to the community through advertising is a valid way of achieving this input from the public.

The addition of billboards depicting trams in areas surrounding the CBD does not, in our opinion, clearly fit in with the campaign objective of encouraging community feedback. The billboards do, however, refer to the Integrated Transport and Land Use Plan and therefore

may create awareness of the plan. Unlike the other creative materials used in the campaign, the tram billboards do not request the public to provide feedback.

With regard to efficient and effective delivery, we note that the campaign evaluation undertaken by DPTI identified that the campaign achieved on the objectives established in the campaign submission to the Premier's Communications Advisory Group (PCAG).

### **General principles and objectives**

The campaign submission to PCAG stated that the objectives of this campaign were to raise awareness of the draft plan and encourage community feedback and consultation through the consultation period. We agree that the planned communications were consistent with the general principles of promoting issues of social benefit and the objectives of raising awareness of planned or impending initiatives.

### **Objectives of government communications**

We did not identify any breaches of the restrictions listed in this section of the guidelines. There were no images of politicians used in the components of the campaign, other than within the draft plan itself. There also was no mention of political parties or groups and we considered it unlikely that a reasonable person could misinterpret the message as being on behalf of a political party.

### **Premier's Communications Advisory Group**

The campaign was approved by PCAG in October 2013. The Government Communications Advice Unit (GCA) approved final creative concepts and the final media plan.

DPTI added the billboard component depicting the extended tram network after the campaign had been approved by PCAG but notified GCA of this additional element prior to the billboard advertisements being installed. The billboard advertisements differ from the other elements of the campaign advertising in that they do not call on the public to provide feedback on the draft Integrated Transport and Land Use Plan. We believe that this inconsistency has occurred because the billboard creative material was not reviewed with the rest of the campaign material by PCAG.

### **PCAG approval process requirements**

As discussed in the sections above, the campaign has been developed with clear objectives and the communication strategy presented as part of the campaign submission to PCAG appears to adequately support the documented objectives.

The addition of billboard advertising of an extended tram network, after the campaign submission had been presented to PCAG, does not address the two communication objectives listed in the submission because there is no clear call for the public to provide feedback on the plan.

The evaluation methodology provided in the campaign submission does not establish any benchmarks by which success can be measured. Instead, it states that the evaluation will include analysis of submissions/feedback about the plan, calls about the draft plan, attendance at community engagement sites, media coverage and digital analytics.



## **Government Master Media Agency**

Media bookings were made through the Master Media Agency.

The billboards depicting new trams were added to the media booking after it had been approved by GCA. We were of the understanding that the Master Media Agency would not proceed with a media booking until appropriate approvals had been granted by GCA. When queried on this matter, GCA advised that due to tight timeframes, DPTI did not provide revised media schedules to GCA. GCA has since discussed these oversights with DPTI to prevent further occurrences.

## **Evaluation**

A campaign evaluation was due to be provided to PCAG in January 2014, but was not submitted until October 2014.

The evaluation provided analysis of the number of submissions received and enquiries and attendance at community engagement events. As targets were not established in the campaign submission, there was insufficient information to properly assess whether this campaign achieved anticipated outcomes. The evaluation does not address the inclusion of the billboards in the campaign.

## **Maintenance of high standards**

The Marketing Communications Guidelines require all government communications to comply with the highest standards of fairness, equity, probity and public responsibility, taking particular care to ensure accuracy and objectivity in presenting facts, statistics and other arguments.

Overall, we consider that the campaign has not contravened these requirements. The tram link billboards, however, depicting trams situated in identifiable locations such as Prospect Road and Norwood Parade with the captions 'The future is ...' and 'Building a Stronger South Australia' may give the public the impression that this is infrastructure that the Government had committed to. These billboards do not make it evident that DPTI is primarily seeking feedback on a draft Integrated Transport and Land Use Plan. While the extended tram network is a key element in the Integrated Transport and Land Use Plan, there was, at the time of the advertising, no provision in the budget or forward estimates for its implementation.

## **Communications campaign approval process**

The campaign submission (excluding billboard instalments) was approved by PCAG and the Minister for Planning.

## **Appendix 6: Campaign review – Adelaide Breathe campaign**

### **Date released**

The 2013-14 campaign was released in February 2014.  
The 2014-15 campaign was released in September 2014.

### **Summary of the marketing communication/campaign**

This campaign was prepared by the South Australian Tourism Commission (SATC). A detailed communication plan outlines that the objectives of the campaign are to create awareness of Adelaide, challenge and change any existing negative perceptions and overcome ignorance about what Adelaide has to offer as a destination.

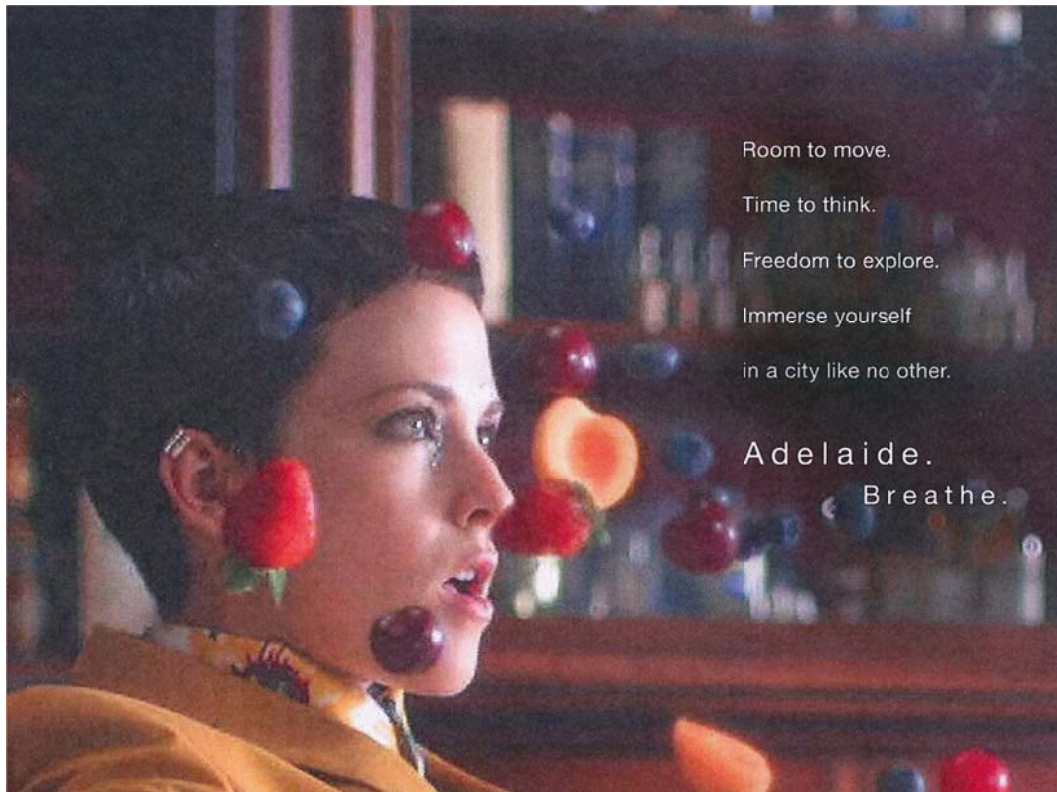
The campaign was focussed on, but not limited to, television commercials and digital advertising.

### **Images**

The following was a scene from the Adelaide Breathe commercial.



## **Creative material utilised in the Adelaide Breathe campaign**



### **Review against the criteria**

#### **Use of public funds**

The primary purpose of this campaign was to increase tourism to Adelaide and South Australia. It was the third in a series of campaigns focussing on particular destinations in South Australia. We are satisfied that the communications were not for party political purposes.

With regard to efficient and effective delivery, we noted that the campaign evaluations undertaken by the SATC identify that the campaign delivered on its requirements for maintaining awareness and consideration.

#### **General principles and objectives**

The objective of the advertising campaigns implemented by the SATC was to create awareness of Adelaide, to facilitate positive and appealing associations about Adelaide, with food and wine as a key strength, and to overcome ignorance about what Adelaide has to offer.

#### **Objectives of government communications**

We did not identify any breaches of the restrictions listed in this section of the guidelines.

This campaign did represent a high level of expenditure commitment with a budget of \$2.3 million for 2013-14 and \$580 000 for 2014-15. The SATC obtained Cabinet approval to bring forward a portion of its budget in 2013-14 to develop this campaign. By comparison to other campaigns developed and implemented by the SATC we did not find the expenditure on this campaign to be manifestly excessive or extravagant. For example, the Premier's Communications Advisory Group (PCAG) approved the Barossa Flavours campaign and the Kangaroo Island campaign with respective budgets of \$1.7 million and \$2.3 million in 2012.

### **Premier's Communications Advisory Group**

The campaign strategy was approved by PCAG in November 2013 and the media schedule was approved by PCAG in January 2014. The 2014-15 continuation of this campaign was approved by PCAG in August 2014.

### **Premier's Communications Advisory Group approval process requirements**

The SATC prepared a detailed submission for this campaign clearly outlining the objectives, budget and measures of achievement. This submission for the 2013-14 campaign was approved by PCAG in November 2013.

The 2013-14 campaign was detailed in a submission with identified objectives and targets and presented to PCAG in August 2014.

### **Government Master Media Agency**

Media bookings were made through the Master Media Agency.

### **Evaluation**

The 2013-14 and 2014-15 campaigns were subject to thorough evaluation. The SATC takes care to analyse the outcomes against each of the identified objectives and they are clearly supported by data and analysis.

Our detailed review of cost recording for campaigns undertaken by agencies did highlight for the 2013-14 and 2014-15 campaigns, that there were some immaterial discrepancies in the total costs reported to PCAG and the final costs for the campaign due to the timing of the evaluation.

### **Maintenance of high standards**

This campaign is focussed on imagery and music and we therefore did not identify any issues with regard to the accuracy or objectivity of the material presented.

### **Communications campaign approval process**

This campaign was subject to appropriate approvals through the PCAG process, the Minister for Tourism and Cabinet.

## **Appendix 7: Campaign review – Transforming Health**

### **Date released**

Phase 1: September 2014.  
Phase 2: February 2015.  
Phase 3: March 2015.

### **Summary of the marketing communication/campaign**

This campaign was prepared by the Department for Health and Ageing (SA Health) in three distinct phases.

Phase 1 was to raise awareness and generate acceptance of the reasons for the South Australian health system needing transformation, and to provide direct avenues for the community, staff and interested parties to receive information and be consulted during six weeks of public consultation on the discussion paper ‘Transforming our South Australian Health System’.

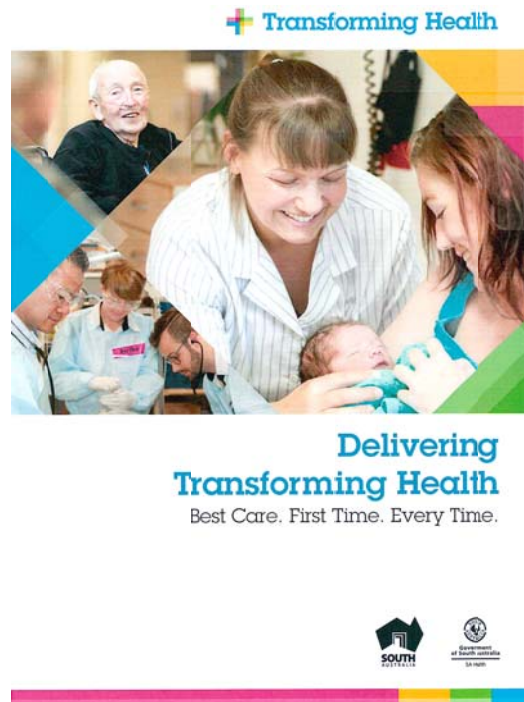
Phase 2 was developed in response to a commitment from the Minister to allow for further consultation before the Government makes decisions on the future of healthcare. The objectives of this phase were to generate an understanding of how Transforming Health can be delivered and build support for the key initiatives, and to encourage the public, staff and interested parties to provide feedback on the proposed system changes.

Phase 3 of the campaign communicates the Government’s initial decisions and commitments in response to public feedback on the Transforming Health Proposals Paper and to educate the public on how Transforming Health will be delivered and the associated benefits. The campaign is focussed on television commercials and digital advertising.

The three phases have used television, radio, press and digital advertising, social media, website, outdoor installations, letterbox drops, messenger press wraps and community events.

## Images

The following materials have been used during the campaign.



Images courtesy of SA Health

## Review against the criteria

### Use of public funds

The Transforming Health agenda proposes a significant change in the way medical services are delivered to the public. This campaign has sought to engage the community and inform of them about decisions made. Advertising allows the Government to obtain this engagement and disseminate information about changes.

With this clearly identified purpose we do not consider this campaign to be for a party political purpose.

With regard to efficient and effective delivery, SA Health has assessed phases 1 and 2 of the campaign as over-achieving some objectives, achieving some objectives and under-achieving on others. Phase 3 had not yet been evaluated at the time of this Report.

### General principles and objectives

By raising awareness of a planned Government initiative and seeking community feedback and engagement, this campaign aligns with the categories under which reasonable levels of public funds may be applied for communications and advertising.

### Objectives of government communications

We did not identify any breaches of the restrictions listed in this section of the guidelines in the creative materials used for the campaign (website, commercials, outdoor installations etc).

The image of the Minister with a foreword does appear in the 'Transforming Health Discussion Paper' and the 'Delivering Transforming Health – Our Next Steps' publications. Marketing communications are defined in the guidelines as 'the deliberate, planned external communication of information by an organisation to a target audience'. As the Transforming Health publications fall within the definition of marketing communications, we consider that there is some scope for the non-marketing community to assess the inclusion of the Minister's image as a breach of the guidelines.

The overall campaign, with a budget of just over \$3 million, is a high cost due to the level of consultation and the tailored messages being provided to specific sectors within the community. The cost does not seem manifestly extravagant or excessive in relation to achieving the proposed objectives and in the context of seeking transformation of the health sector.

### **Premier's Communications Advisory Group**

A detailed submission for phase 1 of the campaign was approved by the Premier's Communications Advisory Group (PCAG). PCAG did make a number of recommendations, some of which could not be accommodated by SA Health due to the tight timeframes governing the campaign. For example, PCAG recommended reviewing the colour palette of the design to mitigate confusion with other brands. This, however, could not be undertaken by SA Health.

An extension to phase 1 was approved by the Chair of PCAG to allow for a period of further consultation but this was then included in a further submission to PCAG for phase 2 of the campaign.

Phase 3 was documented in a further submission that was approved by PCAG.

### **Premier's Communications Advisory Group approval process requirements**

The submissions clearly outline the objectives of the campaign, methods of communication and the evaluation criteria. Benchmarks have been established to provide the basis for evaluation.

### **Government Master Media Agency**

Media bookings were made through the Master Media Agency.

### **Evaluation**

Campaign evaluations were provided to PCAG for phases 1 and 2. Phase 3 had not yet been evaluated at the time of this Report.

The evaluations cover the key requirements listed and reasonably address the evaluation criteria established for the campaign.

Our detailed review of cost recording by SA Health for this campaign did highlight some issues with regard to the accuracy of costs recorded, however, they were not material in the context of the overall expenditure of the campaign.

### **Maintenance of high standards**

The information contained in the communications for the campaign are taken from the following papers prepared by SA Health:

- Transforming Health Discussion Paper
- Delivering Transforming Health Proposals Paper
- Delivering Transforming Health – Our Next Steps

While we have not reviewed all of the creative materials for this campaign, those we reviewed did not identify any inconsistencies with the publications.

### **Communications campaign approval process**

The three phases of this campaign were subject to appropriate approvals through the PCAG process and the Minister for Health.



## Appendix 8: Comparison of advertising and communication guidelines

This appendix provides a summarised overview of the communication and advertising guidelines in place across Australian jurisdictions. We chose to compare governance mechanisms that exist across Australia in the following areas:

*The framework:* This is the legislature or policy under which each jurisdiction operates for government advertising and communications.

*Definition of advertising:* The definition of advertising or campaign advertising in each of the guidelines defines the communication activities to which they apply.

*Review/Approval process:* Each jurisdiction (except Queensland) requires a process to be followed to implement communication activities. This is a brief overview of the key elements of the process.

*The principles:* These are the overarching or guiding principles established in each jurisdiction to guide the appropriate application of public funds for the purpose of government advertising/communications.

*Political advertising:* Each jurisdiction states that public funds should not be used for the purpose of political advertising and provides some further guidance on this matter.

*Other information/guidelines:* Other specific guidelines or matters relevant to our review.

*Evaluation and reporting:* The requirements for evaluating campaigns and reporting outcomes of campaigns and associated advertising expenditure.

	South Australia	Commonwealth	Queensland	NSW	Victoria	Western Australia
<b>The framework</b>	<p>Marketing Communications Guidelines.</p> <p>Guidelines for the Premier's Communications Advisory Group Process.</p>	Guidelines on Information and Advertising Campaigns.	Queensland Government Advertising Code of Conduct.	<p><i>Government Advertising Act 2011.</i></p> <p>Government advertising guidelines are published in accordance with section 5 of the Act.</p> <p>Government Advertising Handbook sets out the policies and processes that apply to government advertising.</p>	Victorian Government Communication Guidelines 2013.	<p>Premier's Circular 2014/03 – Government Advertising and Communications Policy.</p> <p>Government Advertising and Communications Policy.</p> <p>Government Advertising and Communications Guidelines.</p>
<b>Definition of Advertising</b>	<p>Marketing communications is the deliberate, planned external communication of information by an organisation to a target audience. The guidelines provide a list of activities which are included within the definition of marketing communications.</p> <p>Advertising is not defined within the guidelines.</p>	<p>A campaign is a planned series of communication activities that share common objectives, target the same audience and have specific timelines and a dedicated budget. An advertising campaign includes paid media placement and an information campaign does not.</p> <p>For the purposes of these guidelines, an advertising campaign involves paid media placement and is designed to inform, educate, motivate or</p>	<p>While a definition of advertising is not provided the code states that it applies to the following:</p> <p>The Code applies to print advertising (eg newspapers, magazines and inserts), electronic advertising (eg television, radio and internet), outdoor media (eg billboards, bus/taxi advertisements) and all other types of media services covered under the Queensland Government Master Media Advertising Placement Services Standing Offer</p>	<p>(1) In this Act,</p> <p><b><i>Government advertising campaign</i></b></p> <p>means the dissemination to members of the public of information about a government program, policy or initiative, or about any public health or safety or other matter, that:</p> <p>(a) is funded by or on behalf of a Government agency, and</p> <p>(b) is disseminated under a commercial advertising distribution agreement by means of radio, television, the Internet, newspapers,</p>	<p><b><i>Communication</i></b></p> <p>Communication activities and messages used to engage and inform the community about Victorian Government programs, services or policies.</p> <p><b><i>Advertising</i></b></p> <p>The activities involved in presenting a paid, sponsor-identified, message about the Victorian Government and/or its programs,</p>	<p>Campaign Advertising is any promotional advertising by a Government agency that typically requires significant creative input, using multiple mediums (newspaper, billboards, social media, television) and usually over an extended period of time. It is intended to educate or inform the public regarding services, products or policies.</p>

	<b>South Australia</b>	<b>Commonwealth</b>	<b>Queensland</b>	<b>NSW</b>	<b>Victoria</b>	<b>Western Australia</b>
		change behaviour. Large-scale recruitment advertising not related to specific job vacancies and with a degree of creative content may be considered an advertising campaign. Agencies should seek advice from Finance if they are unsure whether an activity is an advertising campaign.	Arrangement.  Additionally, brochures, newsletters, direct mail outs and other like forms of communications must conform to the above conditions set down for advertising.	billboards, cinemas or other media.  The Advertising Handbook states that Other media may include, but is not limited to, internet search marketing, mobile device marketing (text, audio and video), posters, mobile billboards and signage on buses, trains, boats, aircraft and taxis.	services or policies. Advertising may be in the form of newspapers, radio, television, outdoor, online and other technologies such as mobile devices.  <i>Campaign advertising</i> Campaign advertising is designed to inform, educate or change behaviour. It requires strategic planning in the area of media and creative services to achieve set objectives. Advertising may be part of a broader communication and marketing plan.	
<b>Review/ approval process</b>	All marketing communication, advertising, public information and promotional campaigns, regardless of the value of the activity are subject to the PCAG approval process.	For campaigns below \$250 000, the Chief Executive (CE) has the discretion to seek consideration of campaigns by the Independent Communications Committee (ICC).  For advertising	The Code does not provide a review or approval process.	Under the Act, agency heads assume responsibility for overseeing and certifying Government advertising campaigns.  The Act provides that a Government advertising campaign requires a cost	Each department is required to submit an annual communication plan, which includes a plan for all entities within its portfolio responsibilities. Annual communication plans must align	Premier's Circular 2014/03 requires that all government advertising and communications must be approved by the Department of the Premier and Cabinet.  The Independent Communications

	<b>South Australia</b>	<b>Commonwealth</b>	<b>Queensland</b>	<b>NSW</b>	<b>Victoria</b>	<b>Western Australia</b>
	<p>The Guidelines for the Premier's Communications Advisory Group Process provide the process to be followed by government agencies when undertaking external marketing communication activities.</p> <p>Campaigns under \$200 000 in value must be submitted to Government Communications Advice in DPC for review. Internal departmental/agency approval should be obtained in accordance with approval protocols.</p> <p>Campaigns over \$200 000 in value must be submitted to PCAG for review. The PCAG Response to Submission form must be approved by relevant Minister prior to the campaign being implemented.</p>	<p>campaigns of \$250 000 or more:</p> <ul style="list-style-type: none"> <li>the ICC will consider the proposed campaign and provide a report to the CE on compliance with Principles one, two, three and four of the Guidelines. Entities will be responsible for providing a report to their CE on campaign compliance with Principle five of the Guidelines</li> <li>the CE will certify that the campaign complies with the Guidelines and relevant Government policies</li> <li>the CE will give the certification to the relevant Minister who may launch the campaign or approve its launch</li> <li>the CE's certification will be published on the relevant entity's website when the campaign is</li> </ul>		<p>benefit analysis, if the cost of that campaign is likely to exceed \$1 million.</p> <p>All advertising programs with a cost likely to exceed \$1 million require approval of the Cabinet Standing Committee on Communication and Government Advertising.</p> <p>The Act also requires peer reviews of Government advertising campaigns if the cost of that campaign is likely to exceed \$50 000.</p>	<p>with government policies and programs and identify opportunities for cost savings.</p> <p>Ministers, departmental secretaries and entity chief executive officers must seek approval of annual communication plans and relevant campaigns through the government approval process.</p>	<p>Review Committee (ICRC) considers all aspects of government advertising and communications, which includes all forms of marketing and promotion, events, merchandising and signage.</p> <p>The Government Communications Unit (GCU) approves advertising and communication applications under \$40 000</p>

	South Australia	Commonwealth	Queensland	NSW	Victoria	Western Australia
		<p>launched</p> <ul style="list-style-type: none"> <li>the conclusions of the ICC will be published on Finance's website after the campaign is launched.</li> </ul>				
<b>The principles</b>	<p>The Marketing and Communication guidelines include the following:</p> <ul style="list-style-type: none"> <li>All members of the public have the right to equal access to information.</li> <li>Government information programs should not be conducted for party political purposes.'</li> <li>Equity, fairness, probity appropriateness and public responsibility in all communications.</li> <li>Distribution should be efficient, effective and relevant with due regard to</li> </ul>	<p>The underlying principles governing the use of public funds for all government information and advertising campaigns are that:</p> <ul style="list-style-type: none"> <li>members of the public have equal rights to access comprehensive information about government policies, programs and services which affect their entitlements, rights and obligations</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>There must be a direct and obvious benefit to the people of QLD.</li> <li>Advertising must have an educative or informative role dealing with something that is new or about which the community is unaware or unclear.</li> <li>The clear benefit from any advertising must be in its informative or educative role so that there can be no perception of any party-political benefit.</li> <li>Must be presented in objective language and free of political argument.</li> <li>Must not try to foster a positive impression of a particular political party or promote party-political issues.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the Act.</li> <li>Accuracy in presentation of all facts and arguments.</li> <li>Presented in an objective, fair and accessible manner.</li> <li>Clearly distinguishable from party political messages.</li> <li>Sensitivity to cultural needs.</li> <li>Maintenance of highest standards of decency.</li> <li>Awareness of the communication requirements for people with a disability.</li> <li>Compliance with all relevant NSW Government</li> </ul>	<ul style="list-style-type: none"> <li>Fairness, equity and non-discriminatory.</li> <li>Comply with applicable laws and policies.</li> <li>Communication should be for a legitimate purpose.</li> <li>Effective, well managed and evaluated.</li> </ul>	<ul style="list-style-type: none"> <li>The policy provides the key principles:</li> <li>Ensuring advertising assist in the efficient and effective pursuit of public policy goals.</li> <li>Raising awareness of planned or impending initiative and encouraging use of government services.</li> <li>Informing the public about rights, duties and responsibilities.</li> <li>Ensuring equity, fairness, appropriateness, transparency and accountability.</li> <li>Maximising</li> </ul>

	South Australia	Commonwealth	Queensland	NSW	Victoria	Western Australia
	<p>accountability including consideration of digital delivery methods.</p> <ul style="list-style-type: none"> <li>Individual agencies are responsible for developing and implementing communication of initiatives and actions.</li> </ul> <p>The Government may use reasonable levels of public funds for communications and advertising under the following categories: addressing matters of risk to public life and safety, positive public health messages, generating economic activity and or raising revenue for the State and promoting issues of social benefit and/or cohesion to the broader community.</p>	<p>encourage informed consideration of issues or to change behaviour; and</p> <ul style="list-style-type: none"> <li>government campaigns must not be conducted for party political purposes.</li> </ul> <p>The following five principles set out the context in which Commonwealth Government campaigns should be conducted:</p> <ul style="list-style-type: none"> <li>Principle 1: Campaigns should be relevant to government responsibilities</li> <li>Principle 2: Campaigns should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign.</li> <li>Principle 3: Campaigns should be objective and not directed at promoting party political interests.</li> <li>Principle 4:</li> </ul>	<ul style="list-style-type: none"> <li>Advertising must not mention the party in Government by name, directly attack others, include party political slogans or images, be designed to influence public support for a political party, refer or link to the websites of politicians or political parties.</li> <li>There should be no advertising within six months of the scheduled date for an election unless there is an urgent issue.</li> <li>Money designated for service delivery must not be diverted to the cost of advertising.</li> </ul>	<p>procurement policies.</p> <ul style="list-style-type: none"> <li>Campaigns produced and disseminated by the most appropriate environmentally responsible means taking into consideration the size and location of the target audience.</li> <li>The audience should have a convenient means of contacting the relevant agency.</li> </ul>		<p>compliance with laws, ensuring public safety, personal security or to encourage responsible behaviour.</p> <ul style="list-style-type: none"> <li>Reporting on performance in relation to Government undertakings.</li> <li>Encouraging social cohesion, civic pride, community spirit, tolerance or assist in the achievement of a widely supported public policy outcome.</li> </ul> <p>Public funds should not be used for communications where:</p> <ul style="list-style-type: none"> <li>the party in Government is mentioned by name or when a reasonable person could interpret the message as being on behalf of a political party or grouping</li> </ul>

	South Australia	Commonwealth	Queensland	NSW	Victoria	Western Australia
		<p>Campaigns should be justified and undertaken in an efficient, effective and relevant manner.</p> <ul style="list-style-type: none"> <li>• Principle 5: Campaigns must comply with legal requirements and procurement policies and procedures.</li> </ul>				<ul style="list-style-type: none"> <li>• Members of Parliament are named, depicted or otherwise promoted in a manner regarded as excessive or unreasonable</li> <li>• a political party or other group is being disparaged or held up to ridicule.</li> </ul>
<b>Political advertising</b>	<p>Government information programs should not be conducted for party political purposes and more specifically state that public funds should not be used for communications where:</p> <ul style="list-style-type: none"> <li>• the image or voice of a politician is included within the advertising</li> <li>• the political party in Government is mentioned by name</li> <li>• a reasonable person could misinterpret the</li> </ul>	<p>Principle 3 addresses political advertising and provides the following additional information:</p> <ul style="list-style-type: none"> <li>• Campaigns must be presented in objective language and be free of political argument.</li> <li>• Campaigns must not try to foster a positive impression of a particular political party or promote party political interests.</li> <li>• Campaigns must not mention the party in Government by name; directly attack or scorn the views,</li> </ul>	<p>Political advertising is addressed in the principles:</p> <ul style="list-style-type: none"> <li>• The clear benefit from any advertising must be in its informative or educative role so that there can be no perception of any party-political benefit.</li> <li>• Must be presented in objective language and free of political argument.</li> <li>• Must not try to foster a positive impression of a particular political party or promote party-political issues.</li> <li>• Advertising must not mention the party in</li> </ul>	<p>The Act prohibits a Government advertising campaign from:</p> <ul style="list-style-type: none"> <li>• being designed to influence support for a political party</li> <li>• including material that contains the name, or gives prominence to the voice or image of a Minister, any other member of Parliament or a candidate for an election to Parliament</li> <li>• including material with the name, logo or any slogan of a political party.</li> </ul>	<p>Communication by Victorian Government entities must not promote party-political interests and must seek to inform the public of Victorian programs, services and policies.</p> <p>A table is provided with examples of appropriate and inappropriate communication.</p>	<p>This policy provides direction and guidance to agencies on matters that include avoiding misuse of public funds and on preventing campaigns being used to send political messages</p> <p>Public funds should not be used for communications where:</p> <ul style="list-style-type: none"> <li>• the party in Government is mentioned by name or when a reasonable person could interpret the message as being on behalf of a</li> </ul>

	<b>South Australia</b>	<b>Commonwealth</b>	<b>Queensland</b>	<b>NSW</b>	<b>Victoria</b>	<b>Western Australia</b>
	<p>message as being on behalf of a political party or other grouping</p> <ul style="list-style-type: none"> <li>• a political party or other grouping is being disparaged or held up to ridicule</li> <li>• members of the Government are named, depicted or otherwise promoted in a manner that a reasonable person would regard as excessive or gratuitous</li> <li>• the method or medium of communication is manifestly excessive or extravagant in relation to the objective being pursued</li> <li>• there is no clear line of accountability, appropriate audit procedures or suitable purchasing</li> </ul>	<p>policies or actions of others such as the policies and opinions of opposition parties or groups; include party political slogans or images; be designed to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament; or refer or link to the websites of politicians or political parties.</p>	<p>Government by name, directly attack others, include party political slogans or images, be designed to influence public support for a political party, refer or link to the websites of politicians or political parties.</p> <ul style="list-style-type: none"> <li>• There should be no advertising within six months of the scheduled date for an election unless there is an urgent issue.</li> </ul>	<p>Breaches of prohibitions on political advertising may result in costs being recoverable from the political party.</p>		<p>political party or grouping</p> <ul style="list-style-type: none"> <li>• Members of Parliament are named, depicted or otherwise promoted in a manner regarded as excessive or unreasonable</li> <li>• A political party or other group is being disparaged or held up to ridicule.</li> </ul>



	South Australia	Commonwealth	Queensland	NSW	Victoria	Western Australia
	process for the communication process.					
<b>Other information/guidelines</b>	The Marketing Communication guidelines include a section on 'Maintenance of High Standards' which states the Government of South Australia requires that all government communications comply with the highest standards of fairness, equity, probity and public responsibility, taking particular care to ensure that a number of listed factors are addressed including accuracy and objectivity in the presentation of all facts, sensitivity to cultural needs, respect for all people and the target audience has a convenient means of contacting the originating Government agency.			<ul style="list-style-type: none"> <li>The Auditor-General must perform an audit of one or more agencies in relation to Government Advertising each year.</li> <li>The Government Advertising Regulation 2012 exempts certain agencies, certain campaigns and certain types of advertising.</li> </ul>	<ul style="list-style-type: none"> <li>DPC will monitor compliance with the guidelines.</li> <li>Departments are required to have a governing Website Management Taskforce to oversee online activities.</li> </ul>	The use of social media technology undertaken by agencies should form part of a broader communications strategy in line with the agreed objectives of the agency.
<b>Evaluation and reporting requirements</b>	The Government of South Australia requires the evaluation of all	The Government will provide reports to the Parliament that detail expenditure on all	There is no reporting or evaluation requirement discussed in the code of conduct.	Agencies should conduct evaluation (as appropriate) that is relevant, cost-effective	Victorian Government entities must evaluate and report on campaigns	The Government Advertising and Communications Policy states that The

	<b>South Australia</b>	<b>Commonwealth</b>	<b>Queensland</b>	<b>NSW</b>	<b>Victoria</b>	<b>Western Australia</b>
	<p>marketing communications as part of the PCAG approval process. All campaigns submitted to PCAG or GCA for approval as part of the PCAG approval process must also nominate a date to return with a formal evaluation.</p> <p>The Marketing Communications Guidelines include provision of oversight of Government expenditure on advertising as a responsibility of GCA.</p> <p>There is no requirement on government agencies to report on campaigns or advertising expenditure in the guidelines.</p>	<p>advertising campaigns with expenditure in excess of \$250 000 commissioned by PGPA Act agencies.</p> <p>Chief Executives will ensure that research reports for advertising campaigns with expenditure of \$250 000 or more are published on their entity website following the launch of a campaign where it is appropriate to do so and details of advertising campaigns undertaken will be published in entity annual reports.</p>		<p>and meaningful in order to measure the success of their advertising against stated objectives. These results must be shared with Strategic Communications (SC).</p> <p>Each quarter SC publishes an updated report on its website with details of advertising media expenditure by government agencies. The Strategic Communications website also carries information about completed government advertising projects.</p> <p>Agencies are encouraged to publish information about their own advertising programs on their websites. Information may include advertising rationale, objectives, costs and outcomes.</p>	<p>with a media spend of \$150 000 or more in their annual reports.</p> <p>Departmental secretaries and the chief executive officers of government entities must certify compliance with relevant policies, guidelines and legislation.</p> <p>Information about expenditure on major advertising campaigns is published in the annual reports of government departments and public entities in line with Financial Reporting Direction 22F: Standard Disclosures in the Report of Operations</p>	<p>Department of the Premier and Cabinet maintains an Independent Communications Review Committee (ICRC) to ensure that agencies comply with the policy and supporting guidelines and for considering post campaign performance.</p> <p>The Government Communications Unit monitors and reports on media placement expenditure only in regard to the Master Media Services Common Use Agreement (CUA)</p> <p>The policy and guideline do not discuss any specific requirements for government agencies to undertake evaluation or reporting.</p>

## Appendix 9: Agency responses

An extract from the Department of Planning, Transport and Infrastructure's response to the issues raised in section 7 follows.

### Section 7.1

#### ***Use of images of politicians in government advertising***

##### ***Audit recommendation:***

*The requirements of the Marketing Communication Guidelines should be observed and images of politicians should not be included in advertising.*

##### ***DPTI Response:***

*The development of the Adelaide Oval Redevelopment (AOR) and the Experience Riverbank brochures were originally prepared to serve two separate functions.*

- The Experience Riverbank brochure was developed in line with the communications framework promoting activities happening in and around the Riverbank Precinct from December 2013 to March 2014. This was developed in line with precinct stakeholders and the South Australian Tourism Board.*
- The AOR brochure was developed as a project brochure to provide an overview of works to date and also update on construction activities as at December 2013.*

*Both brochures were distributed in line with the opening of the Riverbank Bridge and the first Ashes Test at the redeveloped oval.*

*Given Adelaide's international recognition as one of the world's top cities to visit and to attract the attention of international visitors travelling to Adelaide as part of the cricket and arts festivals/ events, I am advised that DPTI was asked at a Ministerial level to include a Premier's foreword for both brochures to promote the Premier's Creating a Vibrant City priority.*

### Section 7.2

#### ***Following the PCAG approval process***

##### ***Audit recommendation:***

*That DPTI ensure that marketing communications follow the Premier's Communication Advisory Group (PCAG) approval process as required by the guidelines.*

##### ***DPTI Response:***

*DPTI notes Audit's recommendation that marketing communications follow the PCAG approval process.*

*Further to the response under point one, the development of the AOR brochure was requested shortly before its release in December 2013. The original design used the standard DPTI brochure design template in line with the departmental style guide, previously approved by the Government Communications Advice Unit (GCA). This together with normal ministerial level approvals meant that DPTI determined GCA was not required to provide additional approvals. This is standard practice for departmental activities to ensure consistency and removes the need for lengthy or additional approval processes.*

*The final version of the brochure was changed at the request of the Minister during production to match the 'Experience Riverbank' campaign style so that it could be distributed in line with the riverbank activation.*

*The final brochure served a dual purpose, firstly as an AOR project brochure updating the public on the progress of the oval at the Ashes Test match milestone, and secondly to promote the activation of the Riverbank. This dual purpose meant it did not neatly fit into the realm of one initiative or the other which ultimately contributed to approval processes not being obvious.*

## Section 7.6

### **Approval of Campaign Amendments**

#### **Audit recommendation:**

*DPTI ensure that amendments to advertising campaigns or marketing communications are provided to PCAG or GCA for review and approval.*

#### **DPTI Response:**

*The additional activity for the Integrated Transport and Land Use Plan campaign was at the request of the Minister. Unfortunately, due to the restrictive timeframes to undertake this additional activity a revised media plan could not be provided for approval before materials were released into the public domain.*

*Instead, an email was sent to GCA on Tuesday 29 October 2013, outlining changes to communications activities and media (including costs) for the Integrated Transport and Land Use Plan campaign. This email also included creative for the additional activity.*

*The advice given to DPTI was to ensure that this extra spend was included in the evaluation for the campaign however no other issues were brought to DPTI's attention by GCA until after the evaluation was submitted.*

*DPTI is aware of the need for PCAG or GCA review and approval of campaigns/communications and endeavours to ensure this happens in all situations.*

## Section 7.5

### **Campaign Evaluation**

#### **Audit recommendation**

*That DPTI work with GCA/PCAG to ensure that thorough objective analysis is undertaken for all marketing communications.*

***DPTI Response:***

*Information about evaluation methods and submission dates was included in the Communications Plan provided to PCAG. DPTI was not advised of any issues (before or after campaign went through PCAG approval processes) to do with our evaluation methods or the dates in which an evaluation would be provided for both Experience Riverbank and the Integrated Transport and Land Use Plan campaigns.*

*Therefore DPTI provided evaluations in line with the approved communications plan submitted to PCAG.*

Section 7.7

***Timing of campaign submission to PCAG***

*DPTI factor sufficient time into the planning process to ensure that the PCAG process can positively contribute towards ensuring that government communications comply with the guidelines and are consistent with the strategic, planned approach.*

***DPTI Response:***

*Initially, communications activities for the Integrated Transport and Land Use Plan campaign was not subject to the approval of PCAG as it was under \$200,000 (inc GST).*

*This changed when DPTI was directed at a Ministerial level for a wider reach of communication activities to be included in the campaign, extending the budget over \$200,000 and requiring urgent approvals through PCAG. Unfortunately, DPTI was unable to negotiate a change in date for the launch so the approvals and deployment of materials occurred almost simultaneously.*

*DPTI acknowledges these campaigns were not compliant in the strictest sense with all government advertising requirements. Subsequent to these campaigns, DPTI has restructured the communications teams and has undertaken additional and ongoing training with staff around our obligations.*

An extract from the Department for Health and Ageing's response to the issues raised in sections 7.7 and 5.3 follows.

*In response to your first observation regarding the timing of Transforming Health campaign submissions to the Premier's Communications Advisory Group (PCAG), I acknowledge that the time allowed for PCAG to review the Phase Two campaign submission and provide feedback prior to the campaign entering the market was limited.*

*As you make reference to in your letter, there is a need for prompt engagement with the community in relation to Transforming Health. As the most significant reform to the health system ever seen in South Australia, public*

*communication, advertising and engagement activities play an essential role in informing South Australians about how they can input into the Transforming Health process, and advising them on the outcomes of consultation and Government decisions. We have sought, for each phase of the campaign, to ensure that our engagement and communication is timely.*

*PCAG and GCA play a vital advisory and review role for all of our marketing communication campaigns and every effort is made to engage with them as early as possible in the process. In response to your recommendation, SA Health's Media and Communications Branch will endeavour to ensure that, in the future, sufficient time is factored into the planning process to implement PCAG's recommendations.*

*In regards to your second recommendation concerning the internal record of campaign expenditure, I can advise that measures have been put in place to ensure there are no discrepancies between the spreadsheet maintained by the SA Health Media and Communications Branch to track campaign expenditure and the supplier invoices. These measures include streamlining budget maintenance with clear lines of responsibility for maintaining the record of expenditure, and performing monthly reconciliations against monthly revenue and expenditure reports provided by our Finance Department.*

An extract from the South Australian Tourism Commission's response to the issues raised in section 5.3 follows.

#### ***Research and analysis costs SATC Response***

*The SATC acknowledges that the cost of campaign research is integral to overall campaign costs, and an apportionment of this cost was not included in the PCAG submission.*

*The SATC will determine the most appropriate method of allocating a portion of its research budget to specific marketing campaigns, and include this amount reported to PCAG in future submissions.*

#### ***SATC Response***

*The "Review against guidelines" attachment acknowledges that the immaterial discrepancy between the campaign costs reported to PCAG, and final campaign costs determined following the 2014-15 year-end process, is the result of timing only. In the Audit finding it is observed that "the overall variance of approximately \$30,000 was due to the campaign evaluation being prepared before final costs were determined." Therefore the conclusion that there was an error in the integrity of the data is not supported by Audit's own finding. The statement of risk that "the campaign costs reported to PCAG as part of the campaign evaluation may not be **accurate**" [emphasis added] should more correctly be worded as "the campaign costs reported to PCAG as part of the campaign evaluation may not be complete at the time of the submission."*