

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates 2012

18 October 2012

Question: SBT 498-510

Topic: Government Advertising (ATO)

Written: Received from Committee – 26 October 2012

Senator BUSHBY asked:

498. What was the total cost of all advertising for the financial year to date (26 October 2012)?
499. Is the advertising campaign or non-campaign advertising? Provide details of each advertising, including the program the advertising was for, the total spend and the business that provided the advertising services.
500. Has the Department of Finance and Deregulation provided any advice about the advertising? Provide details of each advertising item.
501. Has the Peer Review Group (PRG) and/or Independent Communications Committee (ICC) provided any advice about the advertising? Provide details of each advertising item.
502. Did the Advertising comply with the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies? Provide the details for each advertising item.
503. Provide details for any other communications program, including details of the program, the total spend and the business that provided the communication services.
504. What advertising – Campaign and Non-Campaign – and other communications programs is the Department/Agency undertaking, or are planning to undertake?
505. What was the total cost of all advertising for 2011-12?
506. Is the advertising campaign or non-campaign advertising? Provide details of each advertising, including the program the advertising was for, the total spend and the business that provided the advertising services.
507. Has the Department of Finance and Deregulation provided any advice about the advertising? Provide details of each advertising item.
508. Has the Peer Review Group (PRG) and/or Independent Communications Committee (ICC) provided any advice about the advertising? Provide details of each advertising item.
509. Did the Advertising comply with the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies? Provide the details for each advertising item.
510. Provide details for any other communications program, including details of the program, the total spend and the business that provided the communication services that was undertaken in 2011-12.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

18 October 2012

Answer:

498. The total cost of all advertising for 2012-13 to 2 November 2012 is \$277,095. This figure includes only advertising placement expenditure.
499. The following table provides information on the total amount spent on campaign and non-campaign advertising that has been undertaken by the ATO for 2012-13 to 2 November 2012.

Advertising description	Cost \$ (GST inclusive) ¹	Provider of advertising services
Campaign advertising		
Tax Time 2012 (Phase 2): a campaign to remind individuals to prepare and lodge their tax return by the 31 October deadline.	108,617	Universal McCann
GST voluntary compliance program: a campaign phased across four years to support the GST voluntary compliance program.	109,632	Universal McCann
Minerals and petroleum resource rent taxes: the first phase of this campaign to inform relevant mining businesses/companies of their obligations under the new mining resource rent tax arrangements that came into effect on 1 July 2012.	5,463	Universal McCann
Sub-total	223,712	
Non-campaign advertising		
Wind-up public notices	28,402	Adcorp
Recruitment	24,420	Adcorp
Business as usual ²	561	Adcorp
Sub-total	53,383	
TOTAL	277,095	

¹ Includes advertising placement only. Figures have been rounded to the nearest dollar.

² Advertising that appeared only once or twice, for example, relocation of ATO offices/shopfronts or other public notices.

500. The ATO received agreement from the Department of Finance and Deregulation to classify the following as operational advertising campaigns:
- Tax Time 2012
 - GST voluntary compliance program.
- For campaign advertising below the \$250,000 threshold, the ATO did not seek advice from the Department of Finance and Deregulation on the advertising.
501. No. Neither the Peer Review Group nor the Independent Communications Committee has provided advice about the advertising detailed in SBT 499. This is because the advertising was not required to be reviewed by the Peer Review Group or the Independent Communications Committee because it was either below the \$250,000 threshold or it was classified as an operational advertising campaign.
502. Yes. All campaign advertising undertaken complied with the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies*.
- Details for each advertising item are outlined in response to question SBT 499.
503. Details on all communication programs, the total spend and the business that provided the communication services have been provided in response to question SBT 499.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

18 October 2012

504. The following tables show planned campaign and non-campaign advertising expenditure for communication programs the ATO is undertaking or planning to undertake.

CAMPAIGN ADVERTISING

Program name	Forecast year range	Budget \$ (GST inclusive) ¹
Taxable payments reporting system	2011-12 to 2014-15	253,525
Super reforms ²	2011-12 to 2015-16	20,435,800
Tax Time 2013 (Phase 1)	2012-13	222,448
Super guarantee regional strategy	2012-13	28,699
Minerals and petroleum resource rent taxes	2012-13	80,000
Small business benchmarks	2012-13	20,790
Refund integrity	2012-13	38,500
Goods and services tax (GST) voluntary compliance program ³	2012-13 to 2013-14	422,000
Project Wickenby	2012-13 to 2014-15	600,000
Aggressive tax planning	2012-13 to 2016-17	1,300,000
Super guarantee in high risk industries	2014-15	39,600
Total (included in 2011-12 → 2016-17 budgets)		\$23,441,362

¹ Includes costs associated with advertising subject to the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies*. This includes any of the following costs: advertising placement, advertising research, advertising production and consultants.

² These activities and expenditure of funds are dependent on the passage of legislation.

³ This program will continue until 2015-16, however, campaign advertising expenditure has not been confirmed past June 2014.

NON-CAMPAIGN ADVERTISING

Non-campaign advertising is simple, informative advertising that generally appears only once or twice and contains factual statements and typically has a low creative content.¹

Program name	Forecast year range	Budget \$ (GST inclusive)
Graduate development program	2012-13	34,960
Total		34,960

General recruitment, public notices and procurement advertising have not been included as this type of advertising is ad hoc and not planned expenditure.

¹ *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies March 2010*

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

18 October 2012

505. The total cost of all advertising in 2011-12 was \$1,365,368. This figure includes only advertising placement expenditure.
506. The following table provides information on the total amount spent on campaign and non-campaign advertising that was undertaken by the ATO in 2011-12.

Advertising description	Cost \$ (GST inclusive) ¹	Provider of advertising services
Campaign advertising		
Tax Time 2011 (Phase 2): remind individuals to prepare and lodge their tax return by the 31 October deadline.	98,382	Universal McCann
Launch of GST property page on ato.gov.au: raise awareness of the ATO property page to support taxpayers to correctly meet their tax obligations and to claim their entitlements in relation to property.	21,983	Universal McCann
Launch of GST property tool: support the launch of the GST property tool and how it can assist both tax practitioners and individuals with understanding their GST obligations relating to property transactions.	19,862	Universal McCann
Small business benchmarks: raise awareness of the small business benchmarks and promote their use.	17,156	Universal McCann
Super guarantee in high risk industries: targeting employers in industries identified as high risk of not complying with their super obligations for employees.	12,748	Universal McCann
Project Wickenby: deter people from promoting or participating in abusive offshore secrecy arrangements.	68,083	Universal McCann
Aggressive tax planning: support compliance activities discouraging the promotion of and participation in tax avoidance schemes.	156,424	Universal McCann
Taxable payments reporting system: support the new taxable payments reporting system requiring businesses in the building and construction industry to report on payments made to contractors from 1 July 2012.	30,477	Universal McCann
Tax Time 2012 (Phase 1): raise taxpayer awareness of their tax time lodgment obligations and encourage self-preparers to use <i>e-tax</i> to lodge their tax return.	100,321	Universal McCann
Sub-total	525,436	
Non-campaign advertising		
Wind-up public notices	454,929	Adcorp
Recruitment	301,978	Adcorp
SBS Tax Talk	42,987	Adcorp
Vision Australia radio	28,126	Adcorp
Business as usual ²	3,286	Adcorp
Free tax advice seminars	7,760	Adcorp
Indigenous press (Dreamtime PR)	866	Adcorp
Sub-total	839,932	
TOTAL	\$1,365,368	

¹ Includes advertising placement only. Figures have been rounded to the nearest dollar.

² Advertising that appeared only once or twice, for example, relocation of ATO offices/shopfronts or other public notices.

Senate Standing Committee on Economics

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Treasury Portfolio

Supplementary Budget Estimates

18 October 2012

507. The ATO received agreement from the Department of Finance and Deregulation to classify the following as operational advertising campaigns:

- Tax Time 2011 and Tax Time 2012
- small business benchmarks
- aggressive tax planning
- taxable payments reporting system.

For campaign advertising below the \$250,000 threshold, the ATO did not seek advice from the Department of Finance and Deregulation on the advertising.

508. No. Neither the Peer Review Group nor the Independent Communications Committee provided advice about the advertising detailed in SBT 506. This is because the advertising was not required to be reviewed by the Peer Review Group or the Independent Communications Committee because it was either below the \$250,000 threshold or was it classified as an operational advertising campaign.

509. The ATO has become aware of one instance where the advertising did not fully comply with Principle 5 of the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies*. One press advertisement for a campaign was booked through the non-campaign master media agency. The ATO has established that this occurred because the booker thought the advertisement was a one-off public notice and was not aware that any other advertising had been conducted. To mitigate the risk of a similar mistake occurring in the future, the ATO has since centralised the booking and placement of all campaign and non-campaign advertising (with the exception of recruitment advertising).

510. Details on all communication programs, the total spend and the business that provided the communication services have been provided in response to question SBT 506.