

Auditor-General for Australia

Submission No. 10



File Reference: 2008/997

12 November 2009

16 NOV 2009

Ms Sharon Grierson MP Chair Joint Committee of Public Accounts and Audit Parliament House CANBERRA ACT 2600

Dear Ms Grierson

As part of its inquiry into the *Auditor-General Act 1997*, the Committee held a hearing in Canberra on 19 October 2009. Following that hearing, Mr Georgiou asked me to provide the Committee with copies of communications between the ANAO and the Department of Climate Change relating to the ANAO's review of the climate change advertising campaign conducted in 2008, as this relates to the Committee's inquiry into the *Role of the Auditor-General in scrutinising government advertising*.

Copies of all correspondence between the ANAO and the Department of Climate Change relating to the review are attached for the information of the Committee. The correspondence includes two certifications of compliance by the Secretary of the Department of Climate Change. This initial certification was provided on 16 July 2008 and a second certification on 18 July 2008, after the Department advised of minor changes to the creative materials previously provided to, and reviewed by, the ANAO. These changes to the proposed campaign materials were discussed with the Committee during its 9 September 2009 hearing.

I have not included the numerous email exchanges between ANAO review officers and departmental communications staff, which by their nature form part of the ANAO's working papers relevant to the review.

I have copied this advice to the Secretary of the Department of Climate Change for his information.

Yours sincerely

Ian McPhee

List of correspondence between the ANAO and Department of Climate Change Review of Climate Change Household Action Campaign Phase One

Reference	From	${ m To}$	Date	Description
1	Mr McPhee,	Dr Parkinson, Secretary,	2 July 2008	Proposed arrangements for the conduct of reviews of
	Auditor-General	Department of Climate Change	440	advertising campaigns.
2	Dr Parkinsøn	Mr McPhee	3 July 2008	Request for review of proposed climate change campaign advertising.
3	Dr Parkinson	Mr McPhee	11 July 2008	Agreement to the arrangements proposed by the Auditor- General on 2 July 2008
4	Dr Parkinson	Mr McPhee	16 July 2008	Certification of campaign compliance
5	Mr McPhee	Minister for Climate Change	16 July 2008	Review report
6	Mr McPhee	Dr Parkinson	17 July 2008	Review report
7	Dr Parkinson	Mr McPhee	18 July 2008 s	Certification of campaign compliance (revised campaign)
8	Mr McPhee.	Minister for Climate Change	18 July 2008	Review report
9	Mr McPhee	Dr Parkinson	18 July 2008	Review report
10	Mr White, Group	Dr Parkinson	25 July 2008	Observations regarding review process
	Executive			
1.00	Director			





Z July 2008

Dr M Parkinson Secretary Department of Climate Change GPO Box 854 CANBERRA ACT 2601

Dear Dr Parkinson

Auditor-General's Review of Information and Advertising Campaigns Arrangement under section 20(1)(c) of the Auditor-General Act 1997

As you will be aware, the Government has introduced new arrangements for administering government information and advertising campaigns. As one element of the new arrangements, I have agreed to provide a report to the relevant Minister on the proposed campaign's compliance with the Guidelines, for those campaigns with expenditure in excess of \$250,000. A Minister also may ask the Auditor-General to provide a report on campaigns valued at less than \$250,000 or which are sensitive in nature.

The review the Australian National Audit Office (ANAO) will undertake as the basis for the report is not as in-depth an approach as an audit but is designed to provide limited assurance through inquiry, observation and analysis of key documents and information that the Government's guidelines have been adhered to.

I have agreed to provide these reports in accordance with my functions and powers under the *Auditor-General Act 1997* (the Act). Section 20(1)(c) of the Act allows me to enter into an arrangement with any person or body to provide services of a kind commonly performed by auditors. The reviews will be conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000, issued by the Auditing and Assurance Standards Board, which requires that there be a clear understanding, in writing, of the terms of the engagement.

Set out below are details of the proposed arrangement for the review of any information and advertising campaigns in excess of \$250,000 that are conducted by your department.

Scope

Reviews of compliance with the Guidelines will include, to the extent considered appropriate, an examination by the ANAO of relevant documents and records held by your department and interviews with relevant staff, agents and subcontractors.

Reviews may also entail discussions with, and examination of records held by, third parties if the ANAO considers that this will assist in forming a view in relation to the campaign's compliance with the Guidelines.

The approach adopted will be designed to support my primary responsibility, which is to express a conclusion as to a proposed campaign's compliance with the Guidelines.

Undertaking these reviews does not limit my authority to include matters relating to information and advertising campaigns by your department within the scope of other audit activity at another time. Any limitations or qualifications to the scope of the reviews will be specified in any reports provided to the responsible Minister pursuant to paragraph 6(b) of the Guidelines.

Responsibilities of the department

Departments and agencies subject to the *Financial Management and Accountability Act 1997* must comply with the Guidelines. As you are aware, Chief Executives are required to certify that each campaign complies with the Guidelines and relevant government policies. It is expected that this certification will be supported by appropriate documentation that evidences compliance with, and supports the department's position on, each of the five guidelines outlined in the Guidelines.

To allow reviews to be conducted in an efficient and timely manner, with minimal disruption, your department is responsible for advising the ANAO, as early as possible, about impending campaigns and briefing the ANAO at strategic milestones of campaign development. Your department will also provide the ANAO with details of contact officials for each relevant campaign.

For the purpose of undertaking reviews and providing reports to the responsible Minister, I or appropriately authorised officials of the ANAO will require, subject to law, full and free access to inspect and take copies of relevant records and information held by your department, its agents and sub-contractors who may be engaged by the department to assist with relevant information and advertising campaigns. Access would also be required for the purposes of conducting discussions with officials of your department, its agents and sub-contractors, in relation to reviews undertaken.

ANAO's responsibility

I have agreed to provide a limited assurance report based on my review of the campaign's compliance with the Guidelines.

The review will be conducted in accordance with the ANAO's Auditing Standards. This includes the Australian Standard on Assurance Engagements (ASAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the Auditing and Assurance Standards Board.

Reporting arrangements

Consistent with our general practice, the ANAO will provide you with notice of any significant issues arising in the conduct of reviews ahead of the issue of our report, and work with you to clarify and deal with those issues as soon as possible.

Under the terms of the Guidelines, my report will be to the responsible Minister and copied to you, the Cabinet Secretary and the Secretary, Department of Finance and Deregulation.

If considered appropriate, the ANAO will write separately to you on any observations that arise as a result of any reviews undertaken that do not directly impact a review's conclusion.

In addition to the above arrangements, I may determine other reporting arrangements in relation to the reviews conducted under this arrangement, including to the Parliament and its committees. These arrangements may include public disclosure and will have regard to any reporting arrangements adopted by Ministers.

Confirmation of arrangements

It would be appreciated if you could confirm your agreement to the above arrangement at the earliest opportunity and advise of an appropriate official within your department for further contact on this matter. We would be happy to discuss this matter with you or your staff. The relevant ANAO contact official is Mr Robert Holbert who can be contacted on 02 6203 7379.

Yours sincerely

Ian McPhee

Auditor-General



Office of the Secretary

3 July 2008

Mr Ian McPhee Auditor-General Australian National Audit Office GPO Box 707 CANBERRA ACT 2601

Dear Mr McPhee

Advice on Proposed Climate Change Household Campaign

I am writing to seek a report on compliance of the proposed climate change household advertising campaign with the Government's guidelines for administering government information and advertising campaigns.

As you are aware, the Australian Government has committed to respond urgently to the impact of climate change.

In February, Minister Wong laid the foundations of the Government's approach to tackling climate change, based on the following three pillars:

- reducing Australia's greenhouse gas emissions;
- adapting to climate change that we can't avoid; and
- helping to shape a global solution.

The Minister also announced the seven principles for an emissions trading scheme, to commence in 2010, that would play a central role in meeting our target of reducing emissions by 60 per cent of 2000 levels by 2050.

To advance development of the emissions trading scheme, on 16 July the Government will release a Green Paper outlining key design issues that need to be resolved, and invite stakeholder comment and consultation on these issues. Effective and wide ranging engagement will be critical to the development of good policy in this area.

The Department of Climate Change now proposes to run a campaign to increase community understanding of the causes and impacts of climate change, to engage individuals and households in action to reduce and offset their greenhouse gas emissions, and to encourage awareness of, and participation in, the Green Paper consultation process. It will also provide information on the wider context, including international efforts to forge a global agreement to address this important issue, and the challenges of mitigation and adaptation domestically. A key component of the scheme will be to emphasise that householders through their own actions, sometimes seemingly small, can make an important contribution.

Research

Qualitative research was undertaken during June 2008 to ascertain the extent of community understanding of climate change issues.

While focus group members recognised the term climate change, they had very little understanding of what climate change actually was, how it worked, or how it would affect them. However, they believed the 'contributors' to be burning fossil fuels, an over populated world, car emissions, deforestation, and increasing use of heating and cooling.

Climate change was perceived as the top long-term priority, but it was considered to be an environmental issue – there was little appreciation of the economic challenge it constituted.

The focus groups believed the main responsibility for addressing climate change rested with the Government, whereas the majority of the cost should be paid by industry, especially big business.

There was very little recognition of an emissions trading scheme and almost no understanding of the mechanics of the scheme and how it might impact on individuals, businesses or regions.

The Department proposes to undertake further quantitative research over coming months as part of the campaign to provide a more statistically reliable picture of Australians' attitudes towards these and other climate change issues.

Proposed campaign

The campaign will provide information to help the community understand the dimensions of the climate change challenge and how it will impact on Australia, and outline what government, industry and households can do in response.

The proposed campaign would have a number phases. These phases will need to communicate:

- that there is a problem;
- the magnitude of the problem, and its impacts on Australia and the world using factual examples;
- the range of actions, including mitigation through the emissions trading scheme, global engagement and adaptation to climate change we cannot avoid, being pursued by industry and government at all levels; and
- the actions individual Australians can take to reduce the impact of climate change.

Compliance with Guidelines

Guideline 1: Material should be relevant to Government responsibilities. The climate change policy framework is a priority commitment of the Australian Government, with action occurring on all three pillars. Major milestones, such as the

introduction of a national expanded renewable energy target, the work underway in COAG to rationalise the suite of climate change policies across jurisdictions, the negotiations for a post-2012 international climate change framework, an enhanced focus on a national adaptation framework, and the design and implementation of an emissions trading scheme, are all expected to occur within the life of the current parliament. In particular, the emissions trading scheme will have pervasive impacts on the economy that require an informed public to be able to assess.

Guideline 2: Material should be presented in an objective, fair and accessible manner

All material communicated will be based on information provided from credible, peer-reviewed sources. Where hypothetical concepts are presented these will be clearly identified. However, it should be noted that as a general rule such communications will be used rarely and only when needed to explain the possible impacts of climate change.

In designing the campaign, special attention will be paid to communicating with young people, the rural community, people with disabilities and people from non-English speaking backgrounds. Care will be taking to recognise the full participation of women, ethnic and Aboriginal and Torres Strait Island communities in Australian society.

Guideline 3: Material should not be directed at promoting party political interests All materials will be meet the requirements to be non-political – they will be directed at explaining the magnitude of the challenge and the options open to the Australian community to respond.

Guideline 4: Material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability

Science has established the need to respond urgently to the impact of climate change and this information will be included in a cost/benefit analysis after the preparation of the communications strategy and consultants briefs. All procurement will be conducted in accordance with existing procurement policies and procedures.

Guideline 5: Advertising must comply with legal requirements The campaign and related materials will comply with all legal requirements.

I look forward to receiving your advice on the proposed campaign's compliance with the Government's guidelines for administering information and advertising campaigns.

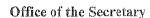
Yours sincerely

Martin Parkinson Secretary



Australian Government







11 July 2008

Mr Ian McPhee Auditor-General Australian National Audit Office GPO Box 707 CANBERRA ACT 2601

Jon Dear Mr McPhee

Auditor-General's Review of Information and Advertising Campaigns Arrangement under section 20(1)(c) of the *Auditor-General Act* 1997

With reference to your letter dated 2 July, I am writing to confirm my agreement to the arrangement proposed there in for the review of the Climate Change Householder Action campaign.

I understand that your office is already liaising with Vicki Kapernick, Director, Communication and Stakeholder Relations on specific requirements in relation to a review under section 20(1)(c). Contact details are 02 6274 2657 or 0408 645 390 or vicki.kapernick@climatechange.gov.au.

I look forward to receiving your advice on the proposed campaign's compliance with the Government's guidelines for administering information and advertising campaigns.

Yours sincerely

Martin Parkinson

Secretary



Australian Government







16 July 2008

Mr Ian McPhee Auditor-General Australian National Audit Office GPO Box 707 CANBERRA ACT 2601

Dear My McPhee

Chief Executive Certification for Government Advertising Campaigns

Attached is my certification that the Climate Change Householder Action campaign compiles with the Guidelines on Campaign Advertising for Australian Government Departments and Agencies.

I look forward to receiving your report on the above proposed campaign's compliance with the Government's guidelines for administering government information and advertising campaigns.

Yours sincerely

Martin Parkinson

Secretary

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GPO Box 854 Canberra ACT 2601 Ph 02 6274 1888 www.climatechange.gov.au

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CHIEF EXECUTIVE CERTIFICATION FOR GOVERNMENT ADVERTISING CAMPAIGNS

I, Dr Martin Parkinson, am satisfied that the Climate Change Household Action Campaign attached to this Certification complies with the Guidelines on Campaign Advertising for Australian Government Departments and Agencies:

Chief Executive Officer 16 July 2008

ſ		√ or ×	Attachment Reference
GUIDELIN RESPONS	E 1: MATERIAL SHOULD BE RELEVANT TO GOVERNIBILITIES	VMENT	
1	The policy / programs which form the basis of the campaign are underpinned by legislative authority, an appropriation of the Parliament or a Cabinet Decision which is intended to be implemented during the current Parliament	\square	Note 1.A
Guideline 2: Material should be presented in an objective, fair and accessible manner			
2.1	Materials are presented in an explanatory, fair and objective manner	Ø	***********
2.2	Materials distinguish between facts, comment, opinion and analysis	Ø) 1 * 1 * 1 * 1 * 1 * 1 * 1 * 1 * 1 * 1
2.3	Any pre-existing policies, products or services and activities are not being presented as new	Ø	***********
2.4	Where the target audience requires, special attention has been made to communicate with disadvantaged individuals or other groups within the target audience, including considering the needs of young people, the rural community and those for whom English is not a convenient language to receive information		·

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GUIDELINE 3: MATERIAL SHOULD NOT BE DIRECTED AT PROMOTING PARTY POLITICAL INTERESTS				
3.1	partis	rials are presented in a manner free from san promotion of government policy and cal argument, and expressed in objective uage		
3.2	impre	mation does not directly foster a positive ession of a particular political party or note party political interests	図	*******************
3.3	Infor	mation and materials do not:		
	(a)	mention the party in government by name	\square	
	(b)	directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposition parties or groups	\square	
	(c)	include party-political slogans or images	図	*************
	(d)	seek to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament	図	
	(e)	refer or link to the websites of politicians or political parties	\square	
!		MATERIAL SHOULD BE PRODUCED AND DISTORMED REGARD TO		
4.1	to jus	st/benefit analysis has been undertaken stify the campaign in terms of society's ls, efficiency and effectiveness	M	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
4.2	mak	e is a clear audit trail regarding decision ing including for the tendering of services employment of consultants	\square	***************************************
4.3	with	surement practices have been consistent the requirements of the Commonwealth surement Guidelines	V	
GUIDELINE 5: ADVERTISING MUST COMPLY WITH LEGAL REQUIREMENTS				
5.1	Cam	paign complies with all relevant laws.	$\overline{\mathcal{Q}}$	************
5.2	ema	unsolicited materials (such as mail outs, il and SMS) clearly and directly affect the rests of recipients	\square	

Note 1.A

The funding for the campaign at this time has not been appropriated, but was agreed by the then Acting Prime Minister. The Department of Finance has advised that funding will be provided through Additional Estimates on the basis of this agreement.





File Reference: 2008/1060

16 July 2008

The Minister for Climate Change and Water Parliament House CANBERRA ACT 2600

Dear Minister

Review of the Climate Change Household Action Advertising Campaign

In accordance with the Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines), I have undertaken a review of compliance of the proposed Climate Change Household Action Advertising Campaign with the Guidelines.

Pursuant to Paragraph 6 (b) of the Guidelines I attach my report on this review, which is based on the Guidelines issued by the Department of Finance and Deregulation June 2008.

I have copied this report to the Cabinet Secretary, the Secretary of your Department and the Secretary of the Department of Finance and Deregulation.

Yours sincerely

Independent Report on the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

To the Minister for Climate Change and Water

Introduction

The Government Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines) state that Government campaigns can only be approved for launching by the Minister where:

- the Chief Executive of the agency undertaking the campaign certifies that the campaign complies with the Guidelines and relevant Government policies; and
- for those campaigns with expenditure in excess of \$250,000, the Auditor-General provides a report to the Minister responsible for the agency undertaking the campaign as to the proposed campaign's compliance with the Guidelines.

Scope

I have undertaken a review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials), administered by the Department of Climate Change. The Climate Change Household Action Advertising Campaign Phase One spans the period July 2008 to October 2008.

The campaign activities relevant to my review relate to the purchase of advertising space in Phase One, distribution of information via the campaign website for Phase One and the creative materials to be presented via these media during Phase One. My review does not include the TV commercials that the Department plans to undertake in September 2008 as part of Phase One since these materials have not yet been developed.

The Department intends to seek my review of the September 2008 TV commercials.

I have undertaken this review to enable me to report on the compliance of the proposed Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) with the Guidelines.

The review was undertaken against the guidelines included in the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies, issued by the Department of Finance and Deregulation in June 2008. These guidelines state that campaigns should be instigated only where a need is demonstrated, target recipients are clearly identified and the campaign is based on appropriate research, and require that:

- the material should be relevant to government responsibilities;
- the material should be presented in an objective, fair and accessible manner;
- the material should not be directed at promoting party political interests;
- material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability; and
- advertising must comply with legal requirements.

My review did not extend to the general control systems for the production of advertising.

My primary responsibility is to express an independent conclusion as to whether anything has come to my attention to indicate that the campaign does not comply with the Guidelines.

Review methodology

The review included an examination of the certification by the Secretary of the Department of Climate Change dated 16 July 2008, the campaign materials and supporting documents and records relevant to the campaign, and interviews with staff of the Department of the Climate Change involved with the preparation of the campaign and staff of the Department of Finance and Deregulation regarding funding for the campaign.

Responsibilities of the Department

Agencies subject to the *Financial Management and Accountability Act 1997* must comply with the Guidelines as a matter of Government policy. The Secretary of the Department of Climate Change has certified that the campaign complies with the Guidelines. He has stated that the funding for the campaign at this time has not been appropriated, but was agreed by the then Acting Prime Minister. The Department of Finance and Deregulation has advised that funding will be provided through Additional Estimates on the basis of this agreement.

The Auditor's Responsibility

I have agreed to provide a limited assurance report based on my review of the campaign's compliance with the Guidelines.

The review is not an audit but is conducted in accordance with ANAO's Auditing Standards. These Standards include the Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Auditing and Assurance Standards Board.

Conclusion

Based on my review described in this report, nothing has come to my attention that causes me to believe that the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) does not comply with the requirements of the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies.

Ian McPhée

Auditor-General

Canberra 16 July 2008



Auditor-General for Australia



File Reference: 2008/1060

17 July 2008

Dr Martin Parkinson Secretary Department of Climate Change PO Box 854 Canberra ACT 2600

Dear Dr Parkinson

Review of the Climate Change Household Action Advertising Campaign Phase 1

In accordance with the Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines), I have undertaken a review of compliance of the proposed Climate Change Household Action Advertising Campaign Phase 1 with the Guidelines.

Pursuant to Paragraph 6 (b) of the Guidelines I have provided my report on this review, which is based on the Guidelines provided to me on 23 June 2008, to the Minister for Climate Change. A copy of the report is provided for your information.

I have also copied this report to the Cabinet Secretary and the Secretary of the Department of Finance and Deregulation.

Yours sincerely

Ian McPhee

Independent Report on the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

To the Minister for Climate Change and Water

Introduction

The Government Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines) state that Government campaigns can only be approved for launching by the Minister where:

- the Chief Executive of the agency undertaking the campaign certifies that the campaign complies with the Guidelines and relevant Government policies; and
- for those campaigns with expenditure in excess of \$250 000, the Auditor-General provides a report to the Minister responsible for the agency undertaking the campaign as to the proposed campaign's compliance with the Guidelines.

Scope

I have undertaken a review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials), administered by the Department of Climate Change. The Climate Change Household Action Advertising Campaign Phase One spans the period July 2008 to October 2008.

The campaign activities relevant to my review relate to the purchase of advertising space in Phase One, distribution of information via the campaign website for Phase One and the creative materials to be presented via these media during Phase One. My review does not include the TV commercials that the Department plans to undertake in September 2008 as part of Phase One since these materials have not yet been developed.

The Department intends to seek my review of the September 2008 TV commercials.

I have undertaken this review to enable me to report on the compliance of the proposed Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) with the Guidelines.

The review was undertaken against the guidelines included in the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies, issued by the Department of Finance and Deregulation in June 2008. These guidelines state that campaigns should be instigated only where a need is demonstrated, target recipients are clearly identified and the campaign is based on appropriate research, and require that:

- the material should be relevant to government responsibilities;
- the material should be presented in an objective, fair and accessible manner;
- the material should not be directed at promoting party political interests;
- material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability; and
- · advertising must comply with legal requirements.

My review did not extend to the general control systems for the production of advertising.

My primary responsibility is to express an independent conclusion as to whether anything has come to my attention to indicate that the campaign does not comply with the Guidelines.

Review methodology

The review included an examination of the certification by the Secretary of the Department of Climate Change dated 16 July 2008, the campaign materials and supporting documents and records relevant to the campaign, and interviews with staff of the Department of the Climate Change involved with the preparation of the campaign and staff of the Department of Finance and Deregulation regarding funding for the campaign.

Responsibilities of the Department

Agencies subject to the Financial Management and Accountability Act 1997 must comply with the Guidelines as a matter of Government policy. The Secretary of the Department of Climate Change has certified that the campaign complies with the Guidelines. He has stated that the funding for the campaign at this time has not been appropriated, but was agreed by the then Acting Prime Minister. The Department of Finance and Deregulation has advised that funding will be provided through Additional Estimates on the basis of this agreement.

The Auditor's Responsibility

I have agreed to provide a limited assurance report based on my review of the campaign's compliance with the Guidelines.

The review is not an audit but is conducted in accordance with ANAO's Auditing Standards. These Standards include the Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Auditing and Assurance Standards Board.

Conclusion

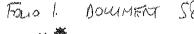
Based on my review described in this report, nothing has come to my attention that causes me to believe that the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) does not comply with the requirements of the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies.

Ian McPhée

Auditor-General

Canberra 16 July 2008







Minister for Climate Change and Water

Mr Ian McPhee Auditor-General Australian National Audit Office GPO Box 707 CANBERRA ACT 2601

Dear Mr McPhee

Chief Executive Certification for Government Advertising Campaigns

Attached is my certification that the Climate Change Householder Action campaign complies with the Guidelines on Campaign Advertising for Australian Government Departments and Agencies.

I look forward to receiving your report on the above proposed campaign's compliance with the Government's guidelines for administering government information and advertising campaigns.

Yours sincerely

Dr Martin Parkinson

CHIEF EXECUTIVE CERTIFICATION FOR GOVERNMENT ADVERTISING CAMPAIGNS

I, Dr Martin Parkinson, am satisfied that the Climate Change Household Action Campaign attached to this Certification complies with the Guidelines on Campaign Advertising for Australian Government Departments and Agencies:

Chief Executive Officer 18 July 2008

		√ or x	Attachment Reference	
GUIDELIN RESPONS	E 1: MATERIAL SHOULD BE RELEVANT TO GOVERNIBILITIES	NMENT		
1	The policy / programs which form the basis of the campaign are underpinned by legislative authority, an appropriation of the Parliament or a Cabinet Decision which is intended to be implemented during the current Parliament	\square	Note 1.A	
GUIDELINE 2: MATERIAL SHOULD BE PRESENTED IN AN OBJECTIVE, FAIR AND ACCESSIBLE MANNER				
2.1	Materials are presented in an explanatory, fair and objective manner	Ø		
2.2	Materials distinguish between facts, comment, opinion and analysis	図		
2.3	Any pre-existing policies, products or services and activities are not being presented as new	\square		
2.4	Where the target audience requires, special attention has been made to communicate with disadvantaged individuals or other groups within the target audience, including considering the needs of young people, the rural community and those for whom English is not a convenient language to receive information	Ø	,	
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GUIDELINE 3: MATERIAL SHOULD NOT BE DIRECTED AT PROMOTING PARTY POLITICAL INTERESTS				
3.1	parti	erials are presented in a manner free from san promotion of government policy and cal argument, and expressed in objective uage		
3.2	impr	mation does not directly foster a positive ession of a particular political party or note party political interests		
3.3	Infor	mation and materials do not:		
	(a)	mention the party in government by name		
	(b)	directly attack or scorn the views, policies or actions of others such as the policies and opinions of opposition parties or groups		,
	(c)	include party-political slogans or images		*************
	(d)	seek to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament	V	··········
	(e)	refer or link to the websites of politicians or political parties		******************
GUIDELINE 4: MATERIAL SHOULD BE PRODUCED AND DISTRIBUTED IN AN EFFICIENT, EFFECTIVE AND RELEVANT MANNER, WITH DUE REGARD TO ACCOUNTABILITY				
4.1	to ju	st/benefit analysis has been undertaken stify the campaign in terms of society's ds, efficiency and effectiveness		
4.2	mak	re is a clear audit trall regarding decision ing including for the tendering of services employment of consultants		***************************************
4.3	with	curement practices have been consistent the requirements of the Commonwealth curement Guidelines	図	
GUIDELINE 5: ADVERTISING MUST COMPLY WITH LEGAL REQUIREMENTS				
5.1	Can	npaign complies with all relevant laws.	図	
5.2	ema	unsolicited materials (such as mail outs, ill and SMS) clearly and directly affect the rests of recipients		***************************************

Note 1.A

The funding for the campaign at this time has not been appropriated, but was agreed by the then Acting Prime Minister. The Department of Finance has advised that funding will be provided through Additional Estimates on the basis of this agreement.





File Reference: 2008/1060

18 July 2008

The Minister for Climate Change and Water Parliament House CANBERRA ACT 2600

Dear Minister

Review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

In accordance with the Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines), I have undertaken a review of compliance of the proposed Climate Change Household Action Advertising Campaign Phase One with the Guidelines.

On 16 July 2008 I issued a report on my review of an earlier version of the proposed Climate Change Household Action Advertising Campaign Phase One. On 18 July 2008, the department submitted updated campaign materials and a certification from the Secretary for the revised Climate Change Household Action Advertising Campaign Phase One. Pursuant to Paragraph 6 (b) of the Guidelines, I attach my report on my review of the revised campaign, which is based on the Guidelines issued by the Department of Finance and Deregulation June

I have copied this report to the Cabinet Secretary, the Secretary of your Department and the Secretary of the Department of Finance and Deregulation.

Yours sincerely





Independent Report on the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

To the Minister for Climate Change and Water

Introduction

The Government Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines) state that Government campaigns can only be approved for launching by the Minister where:

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- for those campaigns with expenditure in excess of \$250,000, the Auditor-General provides a report to the Minister responsible for the agency undertaking the campaign as to the proposed campaign's compliance with the Guidelines.

Scope

I have undertaken a review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials), administered by the Department of Climate Change. The Climate Change Household Action Advertising Campaign Phase One spans the period July 2008 to October 2008.

The campaign activities relevant to my review relate to the purchase of advertising space in Phase One, distribution of information via the campaign website for Phase One and the creative materials to be presented via these media during Phase One. My review does not include the TV commercials that the Department plans to undertake in September 2008 as part of Phase One since these materials have not yet been developed.

The Department intends to seek my review of the September 2008 TV commercials.

I have undertaken this review to enable me to report on the compliance of the proposed Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) with the Guidelines.

The review was undertaken against the Guidelines included in the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies, issued by the Department of Finance and Deregulation in June 2008. These Guidelines state that campaigns should be instigated only where a need is demonstrated, target recipients are clearly identified and the campaign is based on appropriate research, and require that:

- the material should be relevant to government responsibilities;
- the material should be presented in an objective, fair and accessible manner;
- the material should not be directed at promoting party political interests;
- material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability; and
- advertising must comply with legal requirements.

My review did not extend to the general control systems for the production of advertising.

My primary responsibility is to express an independent conclusion as to whether anything has come to my attention to indicate that the campaign does not comply with the Guidelines.

Review methodology

The review included an examination of the certification by the Secretary of the Department of Climate Change dated 18 July 2008, the campaign materials and supporting documents and records relevant to the campaign, and interviews with staff of the Department of the Climate Change involved with the preparation of the campaign and staff of the Department of Finance and Deregulation regarding funding for the campaign.

Responsibilities of the Department

Agencies subject to the Financial Management and Accountability Act 1997 must comply with the Guidelines as a matter of Government policy. The Secretary of the Department of Climate Change has certified that the campaign complies with the Guidelines. He has stated that the funding for the campaign at this time has not been appropriated, but was agreed by the then Acting Prime Minister. The Department of Finance and Deregulation has advised that funding will be provided through Additional Estimates on the basis of this agreement.

The Auditor's Responsibility

I have agreed to provide a limited assurance report based on my review of the campaign's compliance with the Guidelines.

The review is not an audit but is conducted in accordance with ANAO's Auditing Standards. These Standards include the Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Auditing and Assurance Standards Board.

Conclusion

Based on my review described in this report, nothing has come to my attention that causes me to believe that the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) does not comply with the requirements of the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies.

Ian McPhee

Auditor-General

Canberra 18 July 2008



Auditor-General for Australia



File Reference: 2008/1060

18 July 2008

Dr Martin-Parkinson Secretary Department of Climate Change PO Box 854 Canberra ACT 2600

Martin

Dear Dr Parkinson

Review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

In accordance with the Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines), I have undertaken a review of compliance of the proposed Climate Change Household Action Advertising Campaign Phase 1 with the Guidelines.

Pursuant to Paragraph 6 (b) of the Guidelines I have provided my report on this review, which is based on the Guidelines provided to me on 23 June 2008, to the Minister for Climate Change. A copy of the report is provided for your information.

I have also copied this report to the Cabinet Secretary and the Secretary of the Department of Finance and Deregulation.

Yours sincerely

- Ian McPhee





Independent Report on the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

To the Minister for Climate Change and Water

Introduction

The Government Guidelines on Campaign Advertising by Australian Government Departments and Agencies (the Guidelines) state that Government campaigns can only be approved for launching by the Minister where:

- the Chief Executive of the agency undertaking the campaign certifies that the campaign complies with the Guidelines and relevant Government policies; and
- for those campaigns with expenditure in excess of \$250 000, the Auditor-General provides a report to the Minister responsible for the agency undertaking the campaign as to the proposed campaign's compliance with the Guidelines.

Scope

I have undertaken a review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials), administered by the Department of Climate Change. The Climate Change Household Action Advertising Campaign Phase One spans the period July 2008 to October 2008.

The campaign activities relevant to my review relate to the purchase of advertising space in Phase One, distribution of information via the campaign website for Phase One and the creative materials to be presented via these media during Phase One. My review does not include the TV commercials that the Department plans to undertake in September 2008 as part of Phase One since these materials have not yet been developed.

The Department intends to seek my review of the September 2008 TV commercials.

I have undertaken this review to enable me to report on the compliance of the proposed Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) with the Guidelines.

The review was undertaken against the Guidelines included in the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies, issued by the Department of Finance and Deregulation in June 2008. These Guidelines state that campaigns should be instigated only where a need is demonstrated, target recipients are clearly identified and the campaign is based on appropriate research, and require that:

- the material should be relevant to government responsibilities;
- the material should be presented in an objective, fair and accessible manner;
- the material should not be directed at promoting party political interests;
- material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability; and
- advertising must comply with legal requirements.

My review did not extend to the general control systems for the production of advertising.

My primary responsibility is to express an independent conclusion as to whether anything has come to my attention to indicate that the campaign does not comply with the Guidelines.

Review methodology

The review included an examination of the certification by the Secretary of the Department of Climate Change dated 18 July 2008, the campaign materials and supporting documents and records relevant to the campaign, and interviews with staff of the Department of the Climate Change involved with the preparation of the campaign and staff of the Department of Finance and Deregulation regarding funding for the campaign.

Responsibilities of the Department

Agencies subject to the Financial Management and Accountability Act 1997 must comply with the Guidelines as a matter of Government policy. The Secretary of the Department of Climate Change has certified that the campaign complies with the Guidelines. He has stated that the funding for the campaign at this time has not been appropriated, but was agreed by the then Acting Prime Minister. The Department of Finance and Deregulation has advised that funding will be provided through Additional Estimates on the basis of this agreement.

The Auditor's Responsibility

I have agreed to provide a limited assurance report based on my review of the campaign's compliance with the Guidelines.

The review is not an audit but is conducted in accordance with ANAO's Auditing Standards. These Standards include the Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Auditing and Assurance Standards Board.

Conclusion

Based on my review described in this report, nothing has come to my attention that causes me to believe that the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV commercials) does not comply with the requirements of the Government's Guidelines on Campaign Advertising by Australian Government Departments and Agencies.

Ian McPhee

Auditor-General

Canberra 18 July 2008





File Reference: 2008/1060

25 July 2008

Dr Martin Parkinson Secretary Department of Climate Change PO Box 854 Canberra ACT 2600

Dear Dr Parkinson

Auditor-General's Review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials)

As you would be aware, the Auditor-General's Review of the Climate Change Household Action Advertising Campaign Phase One has been completed and the associated review report was provided to the Minister for Climate Change and Water on 18 July 2008.

The review was conducted in accordance with the agreement between the Auditor-General and the Department of Climate Change under Section 20(1)(c) of the Auditor-General's Act 1997. Pursuant to that Agreement, I am writing to advise you of observations that arose as a result of the review but which did not directly impact on the review's conclusion. Our observations relate to compliance with Guidelines 1, 2, 4 and 5.

In raising these matters and some issues concerning administrative processes, I hope that we can improve the campaign review process in the future, for your Department and for the ANAO.

Funding basis

Guideline 1 states that:

Material should be relevant to government responsibilities.

This Guideline (paragraph 12) requires, among other things, that "...only policies or programs underpinned by legislative authority, appropriation of the Parliament, or a Cabinet Decision which is intended to be implemented during the current Parliament, should be the subject of an advertising campaign."

The question of appropriate approval for the Climate Change Household Action Advertising Campaign emerged in the course of the Auditor-General's review. In particular, it emerged that, while there had been Government scrutiny of the policy issues, such scrutiny had not extended to the information campaign itself, which had not been explicitly considered or funded through legislation, Parliamentary appropriation or Cabinet Decision. As such, although it is not an explicit element of the Guidelines, the Auditor-General considered it important that the basis of funding for the advertising campaign be made known in his report.

The statement in your Chief Executive Certification regarding the funding basis provided the transparency the Auditor-General considered necessary. The Guidelines suggest that departments ensure that information requirements are addressed in the course of the policy development process, not as a subsequent consideration. We would hope that the materials lodged in future in respect of outstanding elements of Phase One of the Climate Change Household Action Advertising Campaign, and indeed other phases of the Campaign, will demonstrate that the consideration, development and funding of information campaigns occur in conjunction with, and is subject to similar consideration as, the decision making on the broader policy issues.

Campaign materials - diversity of images

Guideline 2 states that:

Material should be presented in an objective, fair and accessible manner

This Guideline (paragraph 18) requires that 'There should be recognition of the full participation of women, ethnic and Aboriginal and Torres Strait Island communities in Australian society by realistically portraying their interests, lifestyles and contributions to Australian society'...

The images depicted in the TV commercials associated with Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials) were quite diverse. However the Department may wish to consider giving more emphasis, going forward, to particular elements to reflect more expansively the diversity of the Australian community.

We made this suggestion to the Department on 18 July in the context of your preparation of revised creative materials for the campaign launch. The Department advised that it was not possible to add images to the TV campaign at that stage, but that our comments would be taken it into consideration in the development of materials for future phases.

Cost benefit analysis

Guideline 4 states that:

Material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability

This Guideline (paragraph 21) requires that 'Campaigns should be justified by a cost / benefit analysis), which is best done after the preparation of the communications strategy and consultant briefs'. Given that limited guidance has been provided to agencies / departments regarding the most appropriate method of conducting such analysis, it is not surprising that no formal cost benefit analysis (CBA) was conducted to inform decision making during the development of the campaign. Once advised of the requirement, your officials prepared an analysis for us, for which I thank them.

The discussions that ANAO staff had with your Directors of the Communications and Stakeholder Relations Section concerning our assessment of this Guideline should assist future work in this area. In particular, we emphasised that the ANAO will be looking for clear evidence that a sound assessment of costs and benefits (either monetary or social) has been undertaken relevant to:

- the nature of the campaign or phase of the campaign (including in terms of society's needs, and matters of efficiency and effectiveness);
- the campaign's method;
- the media used:
- the volume of publicity activities:
 - o some sensitivity analysis could be appropriate in this regard. This analysis would show, for example, how the nominated campaign and 'smaller' and 'larger' campaign

alternatives would affect the budget cost and what the campaign could 'do' and 'deliver'

- how this campaign or phase of the campaign relates to other phases of the campaign, given campaign objectives:
 - o where there have been earlier campaign elements or earlier campaign phases, the analysis should refer to the results of the previous campaign and explain how those previous elements were taken into account given campaign objectives; and
 - o where it is envisaged that the current proposed campaign will be followed by other campaign elements or phases, the analysis should explain how the results of the current campaign will be taken into account in formulating later campaign activities given campaign objectives.

You may wish to consider addressing the requirement for a CBA early in the campaign development process and using that analysis to inform the subsequent campaign decisions and documentation of relevant matters.

Procurement

Guideline 4 (paragraph 22) requires that 'Existing procurement policies and procedures for the tendering and commissioning of services and the employment of consultants should be followed.'

We were advised that three procurement exercises were conducted in relation to market research relating to the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials). One was for initial developmental research on community attitudes by select tender based on a list of firms provided by the Department of Finance and Deregulation. It totalled some \$70,000. Another was selected by direct tender for \$40,000 to encompass concept testing of creative materials and another was selected by direct tender for \$42,000 for benchmarking research. All these elements were awarded to the same firm, but without going back to the market after the first acquisition exercise. The Department indicated that the business case for direct sourcing was because of urgency and for additional deliveries of goods and services by an original supplier. Documentation relating to these elements was provided to us as part of the review.

Departmental documents indicate that the Department considered procuring additional market research services (the quantitative tracking market research and evaluation) from the same firm. However the Department advised the ANAO on 16 July that it considers it more prudent to approach the market again during late July and August to procure tracking and evaluation market research for phases one and two of the campaign. The ANAO agrees that presenting this opportunity for the market to respond to the Department's request for tracking and evaluation market research is important to provide for a greater measure of competition and transparency.

In light of the Department's experience in this campaign in procuring market research, the ANAO suggests that the Department continue to have regard to measures to ensure that competition, transparency, as well as efficiency in process and value for money in procurement are achieved to the maximum extent possible.

In this context I would also suggest that in future the Department of Climate Change consider the scope for combining related procurement elements (such as in market research) into a single procurement exercise. This might enhance competition, improve the efficiency of administrative process (by reducing the number of tender processes and contracts required) and improve transparency.

Statement of legal compliance

Guideline 5 states that:

Advertising must comply with legal requirements.

This Guideline (paragraph 23) requires that 'Campaigns and related material, the manner of presentation and the delivery of the campaign must comply with all relevant laws...'

There are two matters in connection with the Department providing evidence of compliance with this Guideline to which the ANAO wishes to draw your attention so that any future campaign review processes can run more smoothly. The matters relate to the partial nature of the legal opinion provided by the Department to the ANAO.

In providing its legal opinion, the legal advice provided to the Department by Minter Ellison and copied to the ANAO without additional Departmental input contains the following caveat (at paragraph 1.5):

We have not received any information or instructions in relation to the manner of presentation and the delivery of the advertisements and accordingly are not in a position to advise on those aspects. We have also not been asked to review any material supporting the statements made in the advertisements.

In other words, the legal advice is silent on key aspects relevant to the campaign's compliance with legal requirements as per the Guidelines.

The Department did not offer any assertion or statement of its view on campaign legal compliance, including what it would do to address the omissions, or even that it recognised the incomplete nature of the legal advice it forwarded to the ANAO.

The apparent omissions were, however, considered when the ANAO sought specific assurances from the Department that in presenting and delivering the campaign the Department would comply with all relevant laws, and in particular that should there be a by-election during the proposed campaign, that the Department would ensure that it meets all relevant laws, particularly those dealing with the electoral laws.

This assurance was then provided. Given the nature and timing of Phase One of the advertising campaign, the Auditor-General considered this assurance a sufficient basis for proceeding in this instance. In the future, it would be important that any such assertion of compliance with Guideline 5 be supported by appropriate evidence, such as a suitably comprehensive and timely legal opinion provided by appropriately qualified persons.

Administrative matters

In addition to matters relating to the content of the Guidelines and ways to demonstrate compliance more comprehensively, there are some administrative matters that I would like to mention.

The ANAO recognises that both Departments and the ANAO are in the early days of settling arrangements for assessing compliance with the Guidelines on Campaign Advertising. My team has appreciated the assistance provided by your staff as they tried to discharge their review responsibilities. The team worked hard to accommodate your Department's pressing timing needs.

That said, reflecting on this review exercise some administrative process enhancements would help to put our review processes on a better basis for the future. Key lessons emerging from the recent exercise include:

• review of materials would be aided if the materials were presented in an organised fashion with a statement from the Department as to how the materials provided demonstrate compliance with each Guideline:

- o In relation to the Climate Change Household Action Campaign, the ANAO initially received a bundle of documents, with no covering letter, but with a documents list. The document list indicated that the materials provided were not complete but offered little guidance on what additional materials would be provided and when the ANAO could expect to receive them. The Guidelines make it clear that departments are accountable for compliance, yet the Department did not relate the documents to the requirements of the Guidelines. There is substantial scope to improve the Department's processes here, and these improvements should enhance the efficiency of the process for both the Department and the ANAO.
- review of materials and preparation of the review report would be facilitated by the presentation of materials in a timely manner. Given the urgency of the campaign and Department's lack of experience with these processes, the ANAO, in this instance, put in place special arrangements to allow it to manage within the anticipated shortened timeframes that emerged. However, in future, it would not be appropriate to expect the ANAO and the Auditor-General to be able to accommodate such ambitious reporting timeframes, particularly when critical materials remain outstanding until the last minute. The campaign review process is a requirement of Government. It is important that this requirement be incorporated into planning and developmental processes, and materials, including the Chief Executive Certification, be provided in reasonable time for the Auditor-General to give them proper consideration.

Consistent with the terms of our agreement (which were described in our letter of 2 July 2008) and now that the advertising campaign has commenced, we have placed a copy of the review report of 18 July 2008 on the ANAO website.

I would expect that my staff will also be working with the Department of Finance and Deregulation to develop and refine guidance to agencies and departments to help them meet the Government's requirements in this area. No doubt officers involved in the campaigns that the Auditor-General has reviewed will also be able to contribute practical suggestions about the ways the processes can be improved.

As mentioned above, I hope that the comments we make in light of our experience with the Auditor-General's Review of the Climate Change Household Action Advertising Campaign Phase One (not including the September 2008 TV Commercials) can improve campaign review processes in the future, for our mutual advantage. Should you have questions about our observations relating to the processes involved in the Auditor-General's recent review, or more general questions about the Auditor-General's involvement in reviewing compliance of proposed advertising campaigns with the Guidelines on Campaign Advertising, please contact Bob Holbert on (02) 6203 7379.

Yours sincerely

Peter White

Group Executive Director

Performance Audit Services Group

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