



11 June 2010

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

Dear Ms Grierson

Inquiry into the role of the Auditor-General in scrutinising government advertising campaigns

I am writing in relation to questions raised at the Committee's private hearing for the above inquiry on Monday 24 May 2010. You asked me to inform the Committee of when I was advised of the terms of reference for the review conducted by Dr Allan Hawke.

I had always understood that the *Guidelines on Campaign Advertising by Australian Government Departments and Agencies* (June 2008) were going to be reviewed. Several public statements had been made to that effect, including at the Joint Committee of Public Accounts and Audit hearing of 11 March 2009¹, and in the Department of Finance and Deregulation (Finance) *Full Year Report on Campaign Advertising by Australian Government Departments and Agencies*.² The matter also arose in discussions between my office and Finance in the second half of 2009.

In late January 2010 I was contacted by the Department of Prime Minister and Cabinet (PM&C), and was advised that the review of the June 2008 Guidelines was being conducted by Dr Allan Hawke, supported by a secretariat in PM&C. I was advised that Dr Hawke would like to meet me to discuss my views on:

- the Guidelines, the process and governance;
- challenges or frustrations experienced with the current arrangements; and
- suggestions to improve the process and ensure government objectives are met, the government gets value for money, and there still remains appropriate checks and balances.

On 11 February 2010 my office received a copy of the final Terms of Reference for the review being undertaken by Dr Hawke.

¹ Hansard, *Joint Committee of Public Accounts and Audit*, Wednesday 11 March 2009, p 26

² Department of Finance and Deregulation, *Campaign Advertising by Australian Government Departments and Agencies: Full Year Report 2008-09*, September 2009, p iv

On 22 February 2010 I met with Dr Hawke to discuss my perspective on the current government advertising arrangements.

I was advised by phone that Dr Hawke's report (dated 26 February 2010) had been provided to the Special Minister of State, and on 25 March 2010 I was advised of the outcome of the review as it affected my office. A copy of the report was provided to my office on 26 March 2010.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'I. McPhee', with a long horizontal stroke extending to the left.

Ian McPhee

Auditor-General