

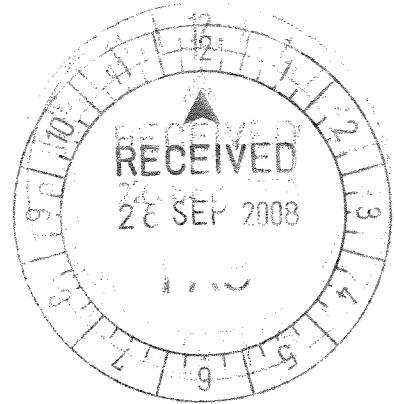


NSW Department of
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Ref:D/08/00844

Mr Paul McLeay MP
Chair
Public Accounts Committee
Legislative Assembly
Parliament House, Macquarie Street
SYDNEY NSW 2000



Paul
Dear Mr McLeay

I refer to your letter dated 20 August 2008 regarding the recommendations of the Auditor-General's Report Performance Audit *Government Advertising*.

The Department of Commerce response is attached. The Report's 12 recommendations have been accepted by the Department and the attached table outlines how each recommendation has been addressed and implemented.

The Auditor-General's report was supportive of the existing processes by the NSW Government and acknowledged the robust measures in place to ensure funding for advertising is spent efficiently and appropriately.

Should you have any questions or require further information on this matter, Mr Alun Probert, Director Strategic Communications & Government Advertising may be contacted on telephone 9372 7797 or by email to alun.probert@commerce.nsw.gov.au.

Yours sincerely

John Lee
Director-General
25 September 2008

Recommendation in the Auditor-General's Report Performance Audit *Government Advertising*

	Recommendations:	Accepted / Rejected	Comments
1	<p><i>Publish a whole-of-government report on government advertising each year that includes:</i></p> <ul style="list-style-type: none"> ▪ <i>total expenditure on campaign advertising</i> ▪ <i>total expenditure on non-campaign advertising</i> ▪ <i>a list of campaigns over \$50,000 by agency, the total cost of each, and an indicator of those that have been peer reviewed</i> ▪ <i>case studies of the impact of a sample of campaigns.</i> 	Accepted	<p>Commerce will publish annually (end of financial year) total advertising media expenditure by the NSW Government indicating spend against each advertising category. A list of major campaigns and relevant case studies will be included.</p> <p>The peer review process is applied to all public awareness advertising greater than \$50,000 as a matter of policy.</p>
2	<p><i>Post on its website each month a list of the campaigns approved by Cabinet or under delegation by the Minister for Commerce, and the proposed cost of each campaign.</i></p>	Accepted	<p>Information about proposed campaigns and costs is commercially sensitive until campaigns are finished. A list of completed campaigns will be included on the Commerce website.</p>
3	<p><i>Recommend in its guidelines to agencies that they post on their website information on campaigns including the total cost, justification, audience and campaign objectives.</i></p>	Accepted	<p>The Guidelines for Government Advertising (Guidelines) released August 2008, advises agencies to publish relevant campaign information online.</p>
4	<p><i>Publish by December 2007 the government advertising guidelines it has drafted, incorporating the recommendations in this report.</i></p>	Accepted	<p>Following extensive consultation with stakeholders and consideration of best practice advertising, the revised Guidelines integrating recommendations from the Audit-General's report were issued during August 2008.</p>
5	<p><i>Include in the guidelines for government advertising more detailed criteria for judging whether material may inappropriately serve party political interests such as those in Appendix 3.</i></p>	Accepted	<p>The new Guidelines include clear principles to assist agency CEOs ensure appropriateness of advertising activities.</p>
6	<p><i>Advise agencies to consider including an audit of campaigns for compliance with the guidelines in their internal audit programs.</i></p>	Accepted	<p>Revised Guidelines direct agencies to consider an internal audit for compliance to the Guidelines.</p>
7	<p><i>Maintain the two-month pre-election quarantine period.</i></p>	Accepted	<p>Already in place and stated within the Guidelines.</p>
8	<p><i>Ensure that all required campaign documents are forwarded to Cabinet.</i></p>	Accepted	<p>This process is now in place. All campaign documents are made available to the Budget Committee of Cabinet.</p>
9	<p><i>Require agencies to document in their final submission to Cabinet how they have considered all matters rated two or three (refer Exhibit 6) in the peer review report.</i></p>	Accepted	<p>This process is now in place as part of the peer review process. Peer review documentation has been updated to reflect this matter.</p>

	Recommendations:	Accepted / Rejected	Comments
10	<i>Introduce a formal feedback mechanism to ensure that peer reviewers are aware of how agencies review and respond to issues raised in the peer review report.</i>	Accepted	This process is now in place as part of the peer review process. Peer review documentation has been updated to reflect this matter.
11	<i>Amend the peer review report to require any issues or concerns regarding compliance with the draft guidelines be documented, including party political matters.</i>	Accepted	Peer review report format has been amended to address compliance with the requirements of the Guidelines.
12	<i>(In conjunction with the Department of Premier & Cabinet) Better define the criteria used to determine which campaigns may be approved under delegation by the Minister for Commerce.</i>	Accepted	Criteria for approval of advertising proposals by the Minister for Commerce were reviewed and amended. The revised criteria are defined within the Guidelines.