

22 June 2015

AUDITOR-GENERAL'S REPORT TO PARLIAMENT **Government Advertising**

The *Government Advertising Act 2011* requires the Auditor-General to conduct an annual performance audit to check NSW Government agency compliance with the Act.

This audit focused on the Department of Premier and Cabinet's (DPC) role in monitoring government agencies compliance with government advertising requirements, and examined advertising campaigns run by Destination NSW and the Sydney Opera House.

There were no breaches of the prohibition on political advertising

The Act prohibits government advertising being used for political purposes. An examination of selected campaigns in Destination NSW and Sydney Opera House did not identify any breaches of this prohibition.

Agencies have not consistently complied with all government advertising requirements

Neither Destination NSW nor Sydney Opera House complied with all government advertising requirements:

- Some advertising campaigns were not submitted for peer review and Cabinet Standing Committee approval
- Sydney Opera House did not always use the central Media Agency Services contract for media planning and buying
- Campaign expenditure and outcome information was not submitted to the Department of Premier and Cabinet at completion of each campaign.

Destination NSW appears to have arranged its advertising program to avoid the requirement to conduct a cost benefit analysis for any of its advertising campaigns. Sydney Opera House has only submitted its advertising campaigns for peer review and approval since February 2014.

Department of Premier and Cabinet's compliance monitoring and advice to agencies needs to improve

The Department of Premier and Cabinet does not have a monitoring program to systematically follow up agencies who are not complying with government advertising requirements. It also applies the requirements inconsistently and could be clearer in its advice to agencies.

Monitoring and reporting on government advertising is deficient

The Department of Premier and Cabinet uses incomplete data to report to the Cabinet Standing Committee and the public on government advertising costs. The publicly reported data only includes media buying and placement costs incurred through the central Media Agency Services contract. Costs such as research, evaluation and creative development and production are not included.

The Department of Premier and Cabinet's own estimates show that total government advertising expenditure is 47 per cent more than the reported media expenditure.

Government and agency policies do not address all communications activities

There is no established government policy to ensure that the increasing use of digital and social media or sponsorship and partnership arrangements is appropriately managed.

The Department of Premier and Cabinet should review and update government advertising requirements for the diverse range of advertising and communication activity used as alternatives to traditional paid advertising campaigns.

Breach of the government's social media policy

In some cases, agencies had not complied with the government's social media policy, which requires social media content to be apolitical. For example, Destination NSW has posted political images on its social media accounts.

Further Information

For further information, please refer to the report's Executive Summary or full report on the [Audit Office website](#).

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