



# Appendix one – Responses from agencies

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## Response from Department of Premier and Cabinet



Ref: A2776641

Ms Margaret Crawford  
Auditor General of NSW  
GPO Box 12  
SYDNEY NSW 2001

Dear Ms Crawford,

The Department of Premier and Cabinet (DPC) thanks you for your recent letter regarding the Performance Audit of Government Advertising for 2017-18, together with the report. I note there are no recommendations for action and welcome your findings that the two campaigns assessed comply with requirements of the *Government Advertising Act*, the Regulation and the Guidelines.

DPC is committed to ensuring all agencies comply with the Government's advertising regulatory framework. Our leadership and guidance to all agencies enables effective governance and implementation of government advertising including branding, peer reviews, cost-benefit analyses and evaluation of campaigns.

Once again, DPC thanks the Audit Office for an efficient audit process.

Should you require any further information or comment, please contact Ms Isobel Scouler, Director Government Communications, on 02 9228 3820 or at [isobel.scouler@dpc.nsw.gov.au](mailto:isobel.scouler@dpc.nsw.gov.au).

Yours sincerely

**Tim Reardon**  
**Secretary**

17 December 2018

# Response from State Insurance Regulatory Authority



State Insurance  
Regulatory Authority

Our reference: D18/215162

Ms Margaret Crawford  
Auditor-General of NSW  
GPO Box 12  
SYDNEY NSW 2001

Via email: [daniel.irwin@audit.nsw.gov.au](mailto:daniel.irwin@audit.nsw.gov.au)

Dear Ms Crawford

## Report on Performance Audit of Government Advertising 2017-18

Thank you for your letter of 16 November 2018 and the opportunity to respond to the Report on the Performance Audit of Government Advertising 2017-18 which examined the CTP Green Slip refund campaign.

I note the Audit Office finding that the CTP Green Slip refund advertising campaign conducted by the State Insurance Regulatory Authority (SIRA), had one minor non-compliance with the *Government Advertising Act 2011*.

While the Report did not make specific recommendations for SIRA, I have considered the Report carefully and will ensure that SIRA incorporates the insights into future advertising campaigns.

I would like to provide information in relation to some of the observations made in the report.

Information was provided to the Audit Office demonstrating the legislation passed by the Parliament in 2017 delivered reductions in average premium prices of over \$120, greater benefit entitlements for approximately 7,000 at-fault drivers per year, reduced the opportunity for fraud and strengthened regulatory powers to control insurer profits, compared to the previous scheme.

SIRA notes the Audit Office observations regarding direct negotiation to procure creative materials. SIRA notes the cost of the CTP Green Slip refund campaign creative materials was \$202,000, which represents 10.5 percent of the total campaign spend. This is well below the 30 percent level provided by the Department of Premier and Cabinet as a guide. Although negotiation was with a single supplier, at this cost it is reasonable SIRA considered the proposal constituted good value for money and therefore does not agree with the observation that direct negotiation with a single supplier made "it difficult to demonstrate value for money".

SIRA conducted this campaign to inform people about the CTP Green Slip refunds. The scope of the campaign was reduced following peer review, in response to concerns that the original proposal for the campaign was attempting to deliver too many messages to be an effective campaign. The Audit Office observation that the campaign did little to inform the public about the broader green slip reforms does not align with this refocused scope.

SIRA implemented advice to limit the campaign messaging to the primary objectives, because explaining the benefits of the new scheme in addition to the refund and how to claim it, was not possible within the constraints of a 30 second TV and radio advertisement. The campaign messaging did link the refunds to the new scheme and lower premium prices.

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GPO Box 2677, Sydney NSW 2001 | [www.sira.nsw.gov.au](http://www.sira.nsw.gov.au) | ABN 19 241 815 442

Once Service NSW was engaged to return the refunds to policy holders, it was decided that the campaign messaging should direct people to the Service NSW website to claim their refund. Direction to both Service NSW and SIRA risked creating confusion and reducing the success of the campaign.

SIRA notes the Audit Office observation that the campaign was effective in raising awareness of CTP Green Slip refunds. The campaign achieved its primary objectives, resulting in an increase in awareness of CTP reforms from 20 percent (pre-campaign) to 62 percent (post-campaign).

SIRA also undertook a communication strategy to promote benefits available for injured people. This communication strategy recognised that injured people require information at the time of their injury and will be in contact with a trusted medical practitioner at that time. It included:

- promotion of the benefits available to injured people, the availability of the SIRA CTP Assist service and how to lodge a claim, in over 145 hospitals across NSW,
- updated health service provider software and publication of articles in medical and allied health journals, with a readership of over 180,000,
- providing over 35,000 wallet cards and 45,000 fact sheets and issuing an insert with CTP policy renewal notices,
- development of website content which led to significant increases in website visits, and
- social media including posts on the SIRA Facebook page which reached more than 400,000 people, videos and an animation on how to lodge a claim on Facebook and YouTube, with over 20,000 views.

As noted in the Report, some broader questions were included in the campaign surveys as 'control' measures. The additional questions enabled a benchmark assessment of unrelated background fluctuations in public attitudes to inform accurate evaluation of the impact of this specific campaign.

SIRA does not agree with the Audit Office observation that some of the campaign targets were not challenging to achieve. In the absence of previous similar campaigns by SIRA, the targets were established in consultation with the research agency, consideration of industry benchmarks, and insights from Service NSW. The targets were also peer reviewed.

SIRA is working to enable all 4.2 million eligible policy holders to receive their refunds. As of 14 December 2018, \$205.6 million has been paid out to eligible individuals and businesses, representing 84.3% of the refund pool. The deadline to claim the refund has been extended to 30 June 2019.

SIRA greatly appreciated the opportunity to be part of this audit and acknowledges the important role of the Performance Audit of Government Advertising.

Thank you to you and your team for conducting the audit. SIRA strongly supports the opportunity to enhance our ability to provide benefits to the citizens of NSW.

Yours sincerely,



**Carmel Donnelly**  
Chief Executive

14 December 2018

## Response from TAFE NSW



**TAFE**NSW

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BROADWAY NSW  
2007 AUSTRALIA

Ms Margaret Crawford  
Auditor-General  
Audit Office of NSW  
Level 15, 1 Margaret Street  
SYDNEY NSW 2000

DOC18/195199

Dear Ms Crawford

Thank you for your letter dated 16 November 2018, providing a copy of the *"NSW Auditor-General's Report to Parliament: Government Advertising 2017-18."*

TAFE NSW appreciates the opportunity to respond to the Report and notes the findings in relation to the Semester One component of the *"TAFE NSW 2018 Student Recruitment Annual Campaign Program"*.

While the Report does not provide specific recommendations, TAFE NSW has addressed the key points raised in the attached document.

Feedback provided by the Audit Office during the audit process and the findings of the Report will help TAFE NSW to drive continuous improvement in future advertising campaigns.

Yours sincerely

Caralee McLiesh  
**Managing Director**  
**TAFE NSW**

12 December 2018

*Encl. Attachment A: TAFE NSW Response to the NSW Audit Office's Report*

TAFENSW.EDU.AU

## Attachment A: TAFE NSW Response to the NSW Audit Office's Report

TAFE NSW operates in a deregulated and competitive industry, vying for market share against universities and private sector training providers. To be successful in this competitive market, TAFE NSW is focused on delivering high quality education and training for customers underpinned by a sustainable business model.

Supporting these efforts is a once in a generation government reform program: 'One TAFE'. When complete, these reforms will see the formation of a single public training provider focused on addressing the key skills challenges facing New South Wales, both now and in the future. As part of this modernisation program, TAFE NSW has had the complex task of merging ten TAFE NSW Institutes while establishing a new Communications & Marketing (C&M) Branch to deliver innovative campaigns to meet aggressive enrolment targets.

The release of recent National Centre for Vocational Education Research (NCVER) data demonstrates TAFE NSW is now successfully capturing additional market share in key areas, including full qualifications that enhance student job outcomes and deliver a sustained benefit to the NSW economy. TAFE NSW has expanded its market position in a declining market supported by its advertising efforts. This is consistent with goals of the advertising campaign to change TAFE NSW brand perceptions and increase enrolments in areas requiring additional skilled labour.

TAFE NSW is confident that the expertise and systems in its C&M Branch will support future revenue growth targets. TAFE NSW is encouraged by recent feedback from Google which suggests that TAFE NSW now leads the education industry for the volume of online queries about educational products, and feedback from Facebook stating that TAFE NSW is best practice in brand uplift results.

As part of One TAFE, TAFE NSW recently finalised the structure of the C&M Branch and implemented new systems and processes. This will ensure that future TAFE NSW advertising campaigns will be consistent with the Government Advertising Act 2011 and supporting regulations and guidelines.

### 1. The campaign achieved 16 of 24 objectives, but did not reach its enrolment target

*TAFE was successful in achieving targets for changing the perception of TAFEs. However, it failed to achieve its Semester One enrolment target.*

TAFE NSW does not currently use semester-based enrolment targets due to a number of unique features of the TAFE NSW enrolment model. Importantly, the Communication and Government Advertising Committee (CGA) approval of TAFE NSW's Semester 1, 2018 advertising campaign was not premised on a Semester 1, 2018 enrolment target as no such target was included in TAFE NSW's CGA Submission or considered as part of the DPC Peer Review Process.

The Semester 1, 2018 enrolment target quoted in the report is a notional 'stretch' target provided to the TAFE NSW media agency Universal McCann (UM) for planning purposes. The figure provided to the agency was set high so as to motivate performance from UM and should not be interpreted as an official target.

Instead of semester-based targets, TAFE NSW uses annual enrolment targets. TAFE NSW will be able to assess the success of its campaigns against those targets when annual enrolment figures are finalised in March 2019.



## **2. The campaign's cost benefit analysis did not comply with three requirements of the Guidelines**

*TAFE was not able to demonstrate that its campaign was economical as it did not compare the campaign with a zero-advertising scenario to demonstrate the exact benefits directly attributable to the campaign. TAFE's CBA also did not identify to what extent benefits could be achieved without advertising, nor did it consider alternatives to advertising which could achieve the same impact as the advertising campaign. All these elements should have been included in TAFE's cost benefit analysis.*

It was not possible for TAFE NSW to disaggregate the enrolment figures to establish a zero-advertising scenario. Consequently, TAFE NSW used an alternative method to estimate the benefit-to-cost ratio which was in turn used to establish 2017 as the baseline for all future campaigns. TAFE NSW consulted NSW Treasury for the previous campaign and the same methodology was used for the 2018 campaign. TAFE NSW is undertaking a program of work to increase visibility within its financial systems to support the cost-benefit analysis of its future marketing campaigns.

TAFE NSW considered alternative media mixes in both the Peer Review submission and when developing and executing the campaign. TAFE NSW selected the current advertising mix based on the impact analysis (including survey findings) of previous campaigns. The 2018 campaign program media mix was optimised based on learnings from the 2017 campaigns. During the media planning process, TAFE NSW, together with media agency Universal McCann, analysed previous media performance. The analysis reviewed audience, channel and investment mixes and was used to determine the optimum media mix for the 2018 campaign program. The recommendation was endorsed by the Department of Premier and Cabinet's (DPC) Peer Review Panel. This assessment was conducted outside of the cost-benefit analysis. TAFE NSW will include the alternative media mix analysis in its future campaign cost-benefit analysis.

## **3. TAFE made one inaccurate claim in its advertising and overstated a second.**

*The Guidelines require government advertising to be accurate in all statements. TAFE breached this requirement. The campaign material included one statement that was inaccurate and one that was overstated.*

TAFE NSW misinterpreted data provided by the National Centre for Vocational Education Research regarding the statement that '78% of TAFE NSW graduates are employed after training.' TAFE NSW mistakenly used the NSW VET total of 78%. The correct data for TAFE NSW graduates is 70.4%.

In regard to the statement that TAFE NSW is Australia's most reputable education provider, TAFE NSW should have used the statement that it is the largest education provider in Australia instead of the most reputable.

A more rigorous process for the selection of proof points in campaign materials was implemented ahead of the Semester 2, 2018 advertising campaign, including quarterly reviews to confirm the accuracy of all proof points. These reviews are conducted by the TAFE NSW Research and Insight Unit, a specialist team within C&M Branch.

**4. DPC did not consistently communicate the transitional arrangements for the Brand Guidelines and as such much of TAFE's creative material did not comply at campaign launch.**

*59 per cent of TAFE's materials were not compliant with the Brand Guidelines at the launch of the campaign in November 2017. TAFE had made most of this campaign's creative materials compliant by June 2018.*

The production of the majority of Semester 1, 2018 campaign materials was completed prior to the announcement of the new NSW Government Brand Guidelines on 7 August 2017. With a goal to deliver campaign cost savings, TAFE NSW elected to re-use many previously compliant campaign materials which had featured in its 2017 campaigns.