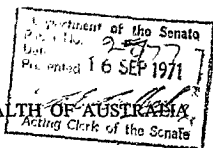


1971

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA



JOINT COMMITTEE OF PUBLIC ACCOUNTS

ONE HUNDRED AND THIRTY-
FIRST REPORT

TREASURY MINUTE ON THE
ONE HUNDRED AND TWELFTH
REPORT

TOGETHER WITH A

SUMMARY OF THAT REPORT

JOINT COMMITTEE OF PUBLIC ACCOUNTS

EIGHTH COMMITTEE

J.D.M. DOBIE, Esquire, M.P. (Chairman) (5)

B.W. GRAHAM, Esquire, M.P. (Chairman) (4)

C.J. HURFORD, Esquire, M.P. (Vice-Chairman)

Senator J.F. FITZGERALD

Senator M.G.C. GUILFOYLE (3)

Senator A.G.E. LAWRIE (3)

Senator J.J. WEBSTER (2)

Senator Dame Ivy WEDGWOOD(1)

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A.W. JARMAN, Esquire, M.P.

J.A. PETTIT, Esquire, M.P. (6)

I.L. ROBINSON, Esquire, M.P. (5)

The Senate and the House of Representatives appointed their Members on 25 November, 1969.

- (1) Term of service as a Senator expired on 1 July, 1971
- (2) Discharged 19 August, 1971
- (3) Appointed 19 August, 1971
- (4) Elected 24 August, 1971
- (5) Discharged 8 September, 1971
- (6) Appointed 8 September, 1971

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951-1966 reads as follows :-

8. The duties of the Committee are -
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the Audit Act 1901-1950;
 - (b) to report to both Houses of the Parliament, with such comment as it thinks fit; any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
 - (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
 - (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

One Hundred and Thirty-First Report

Treasury Minute on the One Hundred
and Twelfth Report relating to
Commonwealth Advertising.

CHAPTER 1 -- INTRODUCTION

In its Seventy-ninth Report dated 10th March, 1966, P.P.No. 275
Your Committee set out in detail the basis of the Treasury of 1964-65-66
Minute arrangements which have been made to ensure that appropriate
action ensues from comments contained in our Reports.

As they now stand, the arrangements concerned are:-

- (1) The Report of Your Committee is tabled by the Chairman in the House of Representatives and by a Member of the Committee in the Senate. Motions are moved in both Houses of the Parliament that the Report be printed as a Parliamentary Paper.
- (2) The Chairman of Your Committee thereafter forwards a copy of the Report to the Departments affected and to the Treasurer with a request that he give the Report his consideration and inform the Chairman of the action taken to deal with Your Committee's comments.
- (3) The reply received, which is in the form of a Treasury Minute, is then examined by Your Committee and, together with the conclusions of the Report to which it relates, is submitted as soon as possible to the Parliament as a Report.
- (4) Where during its examination of a Treasury Minute Your Committee finds that there are recommendations not fully dealt with or which are subject to a further Minute, it holds an exploratory discussion with officers of the Department of the Treasury prior to the submission of the Minute to the Parliament.

- (5) In reporting a Treasury Minute to the Parliament, Your Committee does not usually make any comment on the Minute other than to note recommendations not fully dealt with or subject to a further Minute. In special cases where comment is thought to be necessary, Your Committee makes it.
- (6) Your Committee reviews a Treasury Minute, if necessary, when it again examines the department concerned.
- (7) The Department of the Treasury furnishes Your Committee with a half-yearly report on outstanding Treasury Minutes, indicating the progress made in dealing with Your Committee's comments.

CHAPTER 2 - TREASURY MINUTE ON THE ONE
HUNDRED AND TWELFTH REPORT
RELATING TO COMMONWEALTH
ADVERTISING

On 21 May 1971 and in accordance with the arrangements relating to follow-up action on Your Committee's Reports, the Treasurer conveyed to the Chairman a Treasury Minute dated 19 May 1971, which reported the action taken on Your Committee's One Hundred and Twelfth Report.

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The Treasury has examined the Report and has discussed with the departments and authorities concerned the observations and conclusions of the Committee which have, where necessary, been brought to the notice of the officers concerned.

COMMONWEALTH ADVERTISING PRIOR TO 1946

183. The evidence shows that prior to 1941, Commonwealth advertising was arranged by individual departments through direct negotiations with the various advertising media.

184. It appears that early in 1941 the Government had been anxious to launch a national publicity campaign to stimulate public morale, combat subversive propaganda and promote the war effort. In this context, the

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Commonwealth Advertising Division was established within the Department of Information in February of that year. The Division was required to handle all moneys spent on national publicity campaigns, other than routine advertising, by all Commonwealth departments.

185. Arising from an evident unwillingness on the part of some departments to defray the costs involved in preparing and broadcasting attractive and effective advertising material and the fact that in many instances advertising activities that should have been undertaken had been impeded by the reluctance of departments to authorise the necessary expenditure, the Advertising Division was transferred to the administrative control of the Department of the Treasury early in 1942. At that stage it was recognised that a co-ordinated government advertising section was justified to ensure that government departments did not compete with each other in the advertising market.

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186. The transition of the Advertising Division from a war to a peace-time basis was accomplished in November 1945 when a Treasury circular was issued indicating a decision taken by the Treasurer that the activities of the Advertising Division were to be continued and that all government advertising including press, radio and miscellaneous was to be arranged by the Division.

THE COMMONWEALTH ADVERTISING COUNCIL

187. At the inception of the Advertising Division in 1941 the Department of Information invited the Australian Association of Advertising Agents(Federal) to establish an advertising advisory and placing organisation to assist the Commonwealth with its wartime advertising requirements. A Council - the Australian Advertising Council - was formed for the purpose. That Council operated on an informal basis until 1965 when a written constitution was framed and approved by the Commonwealth Treasurer. Under that Constitution

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the objects of the Council, retitled the Commonwealth Advertising Council, are, generally, to provide facilities for advice to the Commonwealth through the Advertising Division; to provide machinery for the utilisation by the Commonwealth of the Advertising Industry; to enter into agreements with the Commonwealth with a view to arranging the conditions under which advertising agencies perform work entrusted to them by the Commonwealth and to provide on equitable basis of remuneration to each of the agencies concerned. Nominations for membership of the Council and alternate members are subject to the approval of the Director of the Commonwealth Advertising Division. The appointment of charging agencies is made by the Commonwealth while the appointment of sub-placing agencies is subject to prior approval of the Commonwealth. The assignment of creative work to agencies is required to be made on a specific task rather than a fixed term basis and is subject to the discretion of the Director of the Commonwealth Advertising Division.

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THE COMMONWEALTH ADVERTISING DIVISION

188. Treasury Direction 31/41 provides the authority for the operations of the Advertising Division. It indicates that the Division shall arrange all forms of advertising on behalf of the Commonwealth, including press, radio, television, posters, screen slides and printed matter. The Director of the Division is required to determine the procedures from time to time to be observed.

189. The Advertising Division, operating in association with the Commonwealth Advertising Council, provides Commonwealth departmental advertisers with specialised assistance in arranging the production of material for press and publication display advertisements and material for television and radio announcements. Urgent local advertising may be placed directly by departments but in such cases the Division must be advised immediately.

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190. Drafts of suggested allocations, media and schedules are examined by officers of the Division who are trained in advertising techniques. Drafts of material for the larger campaigns are, on occasions produced by Advertising Division officers and then made the subject of discussions with special sub-committees set up by the Commonwealth Advertising Council. Client departments, some of whom have staff with advertising expertise, are entitled to be represented at these conferences.

191. The Placing/Charging agencies operating under the direction of the Advertising Division prepare all press, radio and television schedules. They also check press and publications insertions and measure spaces, check records of television and radio broadcasts, and collate, check and submit to the Department of the Treasury, consolidated monthly accounts from the suppliers of press space, radio and television time and the suppliers of all forms of advertising material. Accounts are subject to check by sub-Treasury

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officers in Sydney against proof of service on the one hand and details of operative rates for orders at the time of sub-placement on the other. These rates are supplied by the Advertising Division. On payment by the sub-Treasury, Sydney, to a particular charging agent, the Commission earned is credited to a separate trust fund of the agency and within twenty-four hours is transferred to the Trust Accounts of the Commonwealth Advertising Council. Subsequently, that Council reimburses Placing/Charging agencies, creative agencies and agencies that may have been retained on a consultative special committee basis.

192. Three significant claims were made in evidence in connection with the work of the Advertising Division and its relationships with the Commonwealth Advertising Council. First, it was claimed that arising from the co-ordination of the requirements of all Commonwealth departments, the Advertising Division is one of the largest users of press

Continuation of the favourable rates and conditions for press and publication advertising enjoyed by the Commonwealth requires some form of central co-ordination of departmental advertising. This permits the conduct of advertising business with the media by one organisation on the Commonwealth's behalf, the lodgment of bulk "master space" orders and the handling of all payments and commission through one channel. The Commonwealth Advertising Division (now the Commonwealth Advertising Branch of the Australian Government Publishing Service) provides this co-ordination.

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and publication space in Australia and accordingly has been able to negotiate favourable rates and conditions for press and publication advertising required by Commonwealth departments. While we would have no reason to doubt the validity of this claim, we would doubt whether the Advertising Division is an indispensable requisite to the achievement of the favourable rates and conditions enjoyed.

Placement of Advertising

193. Secondly, it was claimed that as members of the Commonwealth Advertising Council participate in varying degrees in Commonwealth advertising, there is no danger of large-scale advertising agencies represented on the Council gaining the bulk of Commonwealth advertising for their agencies. In support of this claim it was argued that an agency rendering service to the Commonwealth is not required to be a member of the Council and does not need to be represented on the Council. It was said that, periodically, agencies not represented on the Council render

The claim that, as members of the Commonwealth Advertising Council participated in varying degrees in Commonwealth advertising, there is no danger of large-scale advertising agencies represented on the Council gaining the bulk of Commonwealth advertising for their agencies, has been closely examined by the Treasury.

"Advertising Agencies" may provide charging, placing or creative services; the claim was made in respect of those agencies which provide creative services to the Commonwealth. These agencies are selected by the Advertising Branch from those which offer their services for creative assignments, on

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service to the Commonwealth, when there are requirements for such services. In the absence of competitive arrangements for the placing of Commonwealth advertising through the Advertising Division we are not convinced of the validity of this claim and believe that it should be examined closely by the Department of the Treasury.

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the basis of the nature and scope of the services they offer, their personnel and facilities, their reputation in the industry and ability to meet particular Commonwealth advertising requirements.

Specifically, the main criteria for selection of agencies to undertake creative assignments are -

- (a) the previous experience of the agency in carrying out similar or comparable work for advertisers;
- (b) evidence submitted that the agency has adequate organisational facilities to carry out the specified work;
- (c) details provided by the agency of advertising staff employed.

The Commonwealth Advertising Branch will shortly be issuing an invitation to all accredited agencies to register up-to-date details of the services they can provide.

As detailed to the Committee during the enquiry, the remuneration for agencies rendering creative services is related to the head hours worked in providing the required services and is paid from the trust account of the Commonwealth Advertising Council. During the year ended 30 June 1970, 41.21% of that part of the trust account disbursed for the performance of creative work for the

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Commonwealth was paid to agencies who were not members of the Council as against 58.79% paid to agencies who were members of the Council. It is to be expected that agencies represented on the Commonwealth Advertising Council will handle a substantial proportion of the Commonwealth's requirements for creative work; the Constitution of the Council requires that its members be the principals of agencies "engaged regularly or intermittently in the placing and/or preparation of Commonwealth advertising".

Selection of Placing/Charging Agencies on a Competitive Basis

194. Thirdly, it was claimed that the Commonwealth enjoys a particular benefit from its arrangement in respect of the personnel employed in placing agencies. It was argued that such personnel who handle charging and accounting matters are required to be highly experienced and that an advertising agency employing staff wholly on Commonwealth tasks would need to have trained and experienced staff available to it. If the agency principals had no security of tenure they would be reluctant to involve themselves in the overhead cost of

The present placing/charging agencies were appointed for a five year term ending on 30 June 1971 but this has been extended to 31 December 1971. Applications will shortly be invited from all accredited agencies for the performance of those functions for a further period. The claims of all applicants will be fully considered before the new appointments are made.

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training and developing staff for future operations. Agencies who have undertaken work for the Commonwealth are assured of income from the disbursements of the Advertising Trust Account maintained by the Commonwealth Advertising Council. While we recognise that the present arrangement confers these benefits on the agents concerned we believe that the selection of agencies on a competitive basis should ensure that these benefits are obtained only by those agencies who are demonstrably the most efficient.

Treasury Regulation 52

195. As the Commonwealth Advertising Division acquires the services of advertising media without inviting tenders we raised the question of whether the procurement of advertising services is exempt from the provisions of Treasury Regulation 52. The evidence shows that on 20 December 1962 the Department of the Treasury obtained a legal opinion that referred specifically to a hypothetical arrangement with an advertising agency for the supply of advertising material. In that opinion the view had been expressed that Regulation 52 would apply in

The legal opinion of 20 August 1969 was later qualified by the Attorney-General's Department in a memorandum dated 3 March 1970, in which it was stated "The statement in the memorandum from this Department that tendering for advertising contracts does not seem to be 'impossible' or 'impracticable' was not intended to imply that such tendering is always, or in any particular kind of situation, practicable in the business sense".

Treasury Regulation 52 provides that, subject to certain exceptions, contracts

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such a case but it had been added that it would be necessary to examine the particular contract to be made with the agency. Notwithstanding this qualified opinion the Department of the Treasury relied on a later opinion of 5 February 1964 in support of the Advertising Division's arrangements. That opinion, which related to professional services generally had included a statement that Section 71(d) of the Audit Act, which provides the power to make Regulations, is not to be read as authorising a Regulation imposing tendering requirements in circumstances which, as a matter of business practice, a system of tendering does not operate.

196. Following our request that the opinion of February 5, 1964 be submitted for our examination, the Department of the Treasury re-examined the opinion and sought a specific opinion relevant to advertising agents. That opinion, dated August 20, 1969 stated that it would not be impossible or impracticable to apply tendering to the services in question. It added that the main element in the situation which suggests the contrary is the fact that the Commonwealth has

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shall not be entered into for supplies (i.e. goods or services) the estimated cost of which will exceed one thousand dollars unless tenders have first been publicly invited. There are three distinct kinds of "supplies" in the advertising field: the space or time supplied by the media, the services of advertising agents, and the materials associated with advertisements. It is not feasible, under existing industry arrangements, to introduce a competitive element into the choice of media for Commonwealth advertising. The use of tenders for the services of advertising agents is also impracticable since the remuneration for the services is met from a fund comprising commission paid by the media and service fees paid under the agreement with the Commonwealth Advertising Council, an agreement which has overall advantages for the Commonwealth. Although formal tenders are impracticable competitive submissions from agencies describing the kind and level of services they are prepared to make available are now being sought wherever possible, e.g. in the appointment of placing/charging agencies referred to above and in the selection of agencies providing creative services to one department. Tenders are invited as prescribed for the supply of advertising material.

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been able, by virtue of special arrangements, to secure advertising services without paying to agents fees that are payable in the case of commercial arrangements. While this may suggest that it may be inexpedient to depart from the arrangements made, the fact that a particular non-tendering system appears to produce a more economic method of expenditure is not a legal reason for exempting a case from Regulation 52.

197. In these circumstances we have reached the conclusion that the present arrangements that exist between the Commonwealth Advertising Division and advertising media for the placing of Commonwealth advertising contracts or orders exceeding one thousand dollars in value are invalid in terms of the requirements of Treasury Regulation 52. In this regard, we believe that the Department of the Treasury was in error in relying on a legal opinion relating to the supply of professional services generally, particularly when it had had the benefit of an earlier legal opinion relating specifically to an advertising contract and that opinion had drawn attention to the fact that

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The proposal to amend Treasury Regulation 52 does not stem only from a desire to clarify the present arrangements for the placement of advertising orders by the Commonwealth; there is also a current need for a more flexible set of procedures generally. Difficulties have been experienced in relation to Treasury Regulation 52 in a number of fields other than advertising. The selection of persons to give professional services—architects, consulting engineers, etc. — is only one broad area; strictly the Regulation also applies to such matters as the selection of an airline for overseas travel. The principle that tendering procedures should be applied wherever possible for contracts exceeding one thousand dollars in value will of course, be kept fully in mind in the wording and application of any amended regulation and associated directions.

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it would be necessary to examine the particular contract to be made with the agency concerned.

198. Arising from this matter we have noted that the Department of the Treasury proposed to consider amending Treasury Regulation 52 in a suitable manner so as to validate the present arrangements for the placing of advertising orders by the Commonwealth Advertising Division. In view of the remarks that we have made earlier, however, regarding the benefits to be derived from the selection of advertising agencies on a competitive basis, and as the advertising Market in Australia has evidently not been tested in that manner by the Commonwealth for a period approaching thirty years, we believe that, in conformity with Treasury Regulation 52, tenders should be invited for advertising contracts exceeding one thousand dollars in value and the results assessed carefully before proposals are developed to amend the Regulation.

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Salaries of Advertising Specialists

199. So far as the expenditure and staffing of the Advertising Division is concerned we note that the administrative expenses of the Division, mainly salaries, increased by about 41 per cent between 1964-65 and 1967-68. Between 1962 and 1968 the staff of the Division increased from 11 to 16 positions although the evidence suggests that the Public Service Board has experienced difficulty in according a ready acceptance to the staffing proposals put forward by the Department of the Treasury on behalf of the Division. In this regard we note the view expressed on behalf of the Public Service Board that there may be merit in determining the salaries of advertising specialists separately from those of the clerical/administrative structure but that the Board would not consider such a proposition unless it has the support of the Secretary to the Treasury.

The Public Service Board is conducting a study to determine whether the salaries of advertising specialists should be fixed separately from those of clerical/administrative officers.

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ADVERTISING ARRANGEMENTS-COMMONWEALTH DEPARTMENTS

200. Although specific evidence relating to departmental advertising practices and arrangements was restricted to four departments, the information obtained enabled us to note the diversities that exist in those arrangements and to form some conclusions that might well be applicable in an area wider than that examined.

Records of Advertising Expenditure

201. In regard to departmental expenditure on advertising we note the difficulties experienced by the Department of the Treasury in supplying, at our request, details of departmental expenditure on advertising placed through the Commonwealth Advertising Division. We find this to be somewhat remarkable in view of the weight placed by the Department of the Treasury on increases that have occurred in the value of advertising placed by the Advertising Division, when developing staffing proposals on its behalf.

Particulars of expenditure on advertising placed through the Commonwealth Advertising Division for each department were readily available from records maintained by the Sub-Treasury, Sydney. Where the difficulty arose was in providing the details of this expenditure under media headings as requested by the Committee. This sub-item detail had not been recorded in either the Sub-Treasury or in departmental records and could be obtained only by making a retrospective dissection of many thousands of transactions.

202. While advertising through

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the Commonwealth Advertising Division is not catered for under specific Appropriations, we believe that all departments should maintain specific records of that expenditure to guide them in the formulation of their advertising budgets, particularly as they are required to advise the Advertising Division that they have funds available for an advertising project before the Division commences work on that project.

203. From an examination of the information that the Department of the Treasury was able to obtain at our request, it appears that advertising expenditure by departments through the Commonwealth Advertising Division increased from about \$2.8 million in 1963-64 to nearly \$4.5 million in 1967-68, representing an increase of about 61 per cent over the five years. Undoubtedly this has been due, in part, to increased advertising costs.

Treasury Direction 31/41

204. So far as departmental advertising practices are concerned, the evidence indicates that, in some areas, departments have been operating in contravention of

It is the responsibility of departmental accounting officers to see that the provisions of the Audit Act, Treasury Regulations and Treasury Directions are observed (see Treasury

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Treasury Direction 31/41 by placing advertising material direct with media and failing to notify the Commonwealth Advertising Division. This situation has evidently existed for many years in respect of newspaper advertisements placed by the Commanding Officers of RAAF units to warn the public in connection with bombing or firing practices on ranges. It has also existed in respect of recruiting posters placed by the Department of the Army in public transport and on bill-boards at railway stations. Neither the Department of the Army nor the Department of Air were aware of the requirements of Treasury Regulation 31/41 in respect of these matters until their attention was drawn to them by our Inquiry. We believe that the Department of the Treasury should have ensured that all departments were kept fully aware of the requirements of Treasury Direction 31/41.

Regulations 131 and 131A). The Treasury does not carry out a formal check on the activities of departments to ensure that this is being done, although appropriate action is taken where breaches are reported, e.g. by the Auditor-General.

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205. We note in this regard that it was not until 11 August 1969, some three months after our Inquiry closed, that the Department of the Treasury issued Circular 1969/3 relating to the placing of Commonwealth Advertising in Canberra media. That circular informed departments, inter alia, that to comply with the requirements of Treasury Direction 31/41, requests for Commonwealth Advertising for insertion in newspapers and publications or for telecasts over commercial television channels or broadcasts over commercial radio stations should normally be addressed to the Commonwealth Advertising Division.

Department of Trade and Industry

206. During this phase of our Inquiry we noted that as part of its promotional advertising activities overseas the Department of Trade and Industry uses the services of two advertising agencies in Australia for the preparation and placement of advertising. These agencies were appointed by the Executive Council. In view of the recent opinion

The Department of Trade and Industry has advised that it considers the appointment of advertising agents cannot be satisfactorily achieved by the use of a public tender system, and that if the Executive Council procedure under Treasury Regulation 52 is regarded as inappropriate, consideration should be given to the need for amendment of the Regulation to authorise the use of procedures which are suitable for pro-

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obtained by the Department of the Treasury in relation to Treasury Regulation 52, we believe that the basis of engagement of these two advertising agencies should be reviewed.

curing creative services.

Postmaster-General's Department

207. While the departments examined in the inquiry expressed general satisfaction with the operations of the Commonwealth Advertising Division we note the views expressed by the witness representing the Postmaster-General's Department in relation to the employment of advertising agencies by the Advertising Division. We were informed that the Post Office has been involved with about eighteen such agencies over the past five years and that this arrangement has resulted in a lack of continuity which the Post Office regards as a serious impediment to an adequately planned and executed advertising-cum-publicity programme. We also note that the Director-General of Posts and Telegraphs proposes to discuss with the Department of the Treasury the nature of

Discussions have been held with the Postmaster-General's Department to determine what steps might be taken to provide for greater continuity of agency service and the other requirements mentioned to the Committee, while retaining the economic advantages available to the Commonwealth through existing arrangements. The Post Office is currently reviewing its marketing policies and procedures and the discussions have not yet been completed.

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the dissatisfaction experienced by the Post Office and the plans that it was developing at the time of our inquiry to improve its situation. Without wishing to comment on the Post Office proposals, we believe that they should be examined carefully by the Department of the Treasury in relation to the needs of all departments and also in relation to the conclusions that we have reached regarding the basis of engagement of advertising agents.

ADVERTISING ARRANGEMENTS - OTHER GOVERNMENTS

208. The information obtained in relation to State Governments in Australia indicates that, except for Victoria where each department handles its own advertising, government advertising is subject to some degree of co-ordination although this varies as between the States. In New South Wales, Queensland and Tasmania the principle co-ordination point is the Premier's Department while in South Australia the co-ordinating authority is the Tourist Bureau. Only in the case of Western Australia is co-ordination

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maintained through the Department of the Treasury.

209. The information obtained for us in relation to Britain shows that there is a prima facie similarity between the British and the Commonwealth Advertising Divisions. Due to its incorporation within the Central Office of Information, however, the British Advertising Division has the services of certain other Divisions of that Office available to assist it in the overall planning of its campaigns.

THE COMMONWEALTH ADVERTISING DIVISION AS A
DIVISION OF THE DEPARTMENT OF THE TREASURY

210. On the basis of the evidence, it appears that the Commonwealth Advertising Division was properly located within the Department of Information when it was established in 1941 but was transferred to the administrative control of the Department of the Treasury in 1942 for reasons of expediency that existed at that time. There is evidence to suggest, however, that the functions of the Division are or were such that it

The Public Service Board has examined the desirability of amalgamating the Commonwealth Advertising Branch and the Australian News and Information Bureau. It has concluded that because of:

- (a) the very small size of the Commonwealth Advertising Branch (sixteen positions spread between Sydney and Melbourne).
- (b) its extremely small complement of positions (two or three) which demand technical skills in any way akin to those required of

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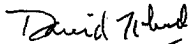
should not have been retained within the Treasury organisation indefinitely. Indeed, it appears that as the Australian News and Information Bureau is responsible for the production of material on topics of national importance for dissemination in Australia and overseas, through publications, displays, films, radio and television, there is an affinity of function between the Bureau and the Advertising Division that suggests that it might have been logical to combine both of these organisations into a single unit when the Department of Information was disbanded. In view of this affinity of function and the probability that both organisations require similar staffing skills in the discharge of their responsibilities we believe that the Public Service Board could, with advantage, examine carefully the desirability of amalgamating the two organisations and assess the economics of administration that might be achieved.

- Bureau staff (creative artist positions);
 - (c) the very limited amount of staff effort absorbed in management and service functions within the Branch; and
 - (d) the likelihood, therefore, that if the Branch were to be amalgamated with the Bureau, it would continue as a small self-contained unit within the Bureau
- there would be no measurable gains in efficiency or economies of administration if the Branch and the Bureau were amalgamated.

On 12 March 1971 the Australian Government Publishing Service, which includes the Commonwealth Advertising Branch, was transferred from the Department of the Treasury to the Department of the Vice-President of the Executive Council.*


* Name changed to the Department of the Environment, Aborigines and the Arts on 31 May, 1971.

For and on behalf of the Committee



DAVID N. REID
Secretary,
Joint Committee of Public Accounts,
Parliament House,
Canberra.

5 August 1971



DON DOBIE
Chairman