



**Government  
of South Australia**

**Department of the Premier and Cabinet Circular**

**DPC Circular 009 – THE MASTER MEDIA SCHEME FOR  
GOVERNMENT ADVERTISING**

**Effective from July 2015**

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### **Summary**

This Circular relates to Cabinet policy on the arrangements by which brand and functional advertising is to be managed across Government Departments, Agencies, and operating Units, furthermore referred to as Clients, and explains:

- In Part 1, the arrangements by which all Clients, unless specifically exempted, are required to undertake media strategy development and media planning for all brand advertising using the Government's master media agency only;
- In Part 2, the arrangements by which Clients are required to place all brand and functional media bookings through the Government's master media agency only;
- In Part 3, Cabinet policy on the management of relationships between media and creative agencies for brand advertising.
- In Part 4, the benefits to Government from compliance with this Circular.

### **Background**

#### **Functional Advertising**

Functional advertising is of a statutory or public notice form. Typically this type of advertising has a low creative content, is for immediate and short-term appearance, and seeks to impart specific information in a direct and unembellished manner.

Functional advertising includes recruitment, tenders, and announcements and is generally text based with no or minimal design elements, pictures or images. The majority of functional advertising appears in print or on internet sites.

#### **Brand Advertising**

Brand advertising typically involves a high creative content, endeavours to change behaviour or attitudes of the general public, and is of a mid-to-long term appearance.

Brand advertising has been typified by the use of emotional imagery that seeks to position the brand and is usually of a high quality.

Government agencies generally use the services of an advertising agency or graphic designer to produce campaign material. Television, internet, radio, outdoor, and transit media are generally used for brand advertising, as are press, magazines and journals.

## **Part 1. Media Strategy Development and Media Planning for Brand Advertising**

Based on a Cabinet Communications Committee resolution in 2004, Cabinet has agreed that it shall be mandatory that all Clients use only the Government's master media agency for media strategy development and media planning for all brand advertising, to the exclusion of any other supplier, unless specifically exempted by the Premier's Communications Advisory Group. Furthermore, this policy is to:

1. Be in addition to the policy of the master media agency conducting all media rate negotiations, media buying and placement, management, and reporting;
2. Be based on the principles that are listed in Part 3 of this Circular;
3. Provide for exclusion from the provisions of the policy to individual Clients.

Exclusion can only be approved by the Premier's Communications Advisory Group following a detailed submission by the Client concerned. A submission for exclusion shall:

1. Occur each time a contract is proposed for advertising services which excludes the master media agency from providing brand advertising media strategy and/or media planning;
2. Be required to demonstrate that the Client gave genuine consideration to using the master media agency for media strategy and planning as one of the options when tendering for advertising agency services;
3. Include a business case that contains a detailed and costed proposal that is based on using the master media agency for media strategy development and media planning;

Any Client that receives an exemption from the policy is required to advise the master media agency as soon as practicable in the brand advertising planning stages of its intention to undertake a campaign and keep the master media agency advised of campaign development in order to optimise cost-effective media buying.

Note that Arts organisations, excluding Arts SA, may be exempt from using the media strategy development and media planning services.

## **Part 2. Media Bookings for Brand and Functional Advertising**

Cabinet has agreed that it will be mandatory for all media bookings for advertising from Clients to be channelled through the Government's master media agency only.

1. The master media agency, in conjunction with the Department of the Premier and Cabinet, shall negotiate annual volume discount rates with the media for brand and functional advertising requirements and enter into contracts with the media on behalf of the Government of South Australia.

2. Annual volume discount rates for each medium are based on the total Government expenditure for all advertising in that medium for the previous year and forecasted expenditure for the forthcoming year.
3. The master media agency shall also negotiate other value-added and no-charge services with the media.
4. No Client is permitted to place advertisements directly with any medium, with the exception of Clients in regional/rural South Australia, which may, from time to time, liaise directly with their local media to arrange the placement of their advertising material. However, booking confirmation and billing of any material placed directly with the local media must be arranged through the master media agency in each and every case.
5. The Contract Administrator for the master media agency contract is the Director, Government Communications Advice, Department of the Premier and Cabinet.

### **Part 3. Management of Relationship between Master Media Agency and Creative / Advertising Agencies:**

In April 2005, the Cabinet Communications Committee resolved that the relationship management between the master media agency and creative / advertising agencies for the purpose of brand advertising should be based on the following principles:

1. The need for a unified team to develop campaign strategy is fully recognised. However, the perceived need for all team members to reside within one advertising agency is rejected;
2. The primary focus of campaign control and management resides with the Client and not with the full-service advertising agency;
3. Each Client will manage multiple service providers and require the providers to work jointly and cooperatively as a unified campaign strategy team when planning, developing, and producing their particular campaign elements. For example, a campaign brief should be delivered to the collective team rather than just the creative advertising agency, to work on a campaign strategy, leading to the creative and media elements;

*Explanatory note: The "collective team" should comprise the creative agency, the media agency, and any other essential participants relevant to the campaign; for example, market researchers, direct marketers, etc. The Department of the Premier and Cabinet's Government Communications Advice unit can provide guidance in the preparation and management of campaign development.*

4. The master media agency will be required to provide media strategy and planning services to Clients, as well as rate negotiations, buying, placement, monitoring, and billing services as per the current arrangement. Each creative advertising agency will be required to function cooperatively with an appointed media contact from the master media agency as a campaign strategy team member;

*Explanatory note: Clients shall incorporate this requirement into all RFPs, tender proposals, and contracts.*

5. Advertising agencies will be appointed to provide creative services;

*Explanatory note: The term “creative services” includes all services which are required to effectively develop, produce, and manage the “creative” side of campaign advertising. These can include services as essentially required such as strategic analysis, market analysis, consumer insight and communication testing, and specifically includes campaign development, agency pre-production, management of external production houses, and account management.*

6. Creative advertising agencies will be remunerated on a fee-for-service basis only, with no remuneration, fees, or commissions based on media billings;

*Explanatory note: Creative advertising agencies shall only charge fees on an agreed itemised fee structure for actual services provided. Service fees can be charged on production. No fees based on media billings will be charged nor media commissions retained by creative advertising agencies.*

#### **Part 4. Benefits to Government**

The Government of South Australia gains considerable benefit from having a master media agency arrangement to undertake media rate negotiation, media buying, booking, and management services for all Government advertising programs.

The master media agency, as a centralised and single point for negotiation, and backed by the total aggregated Government advertising expenditure, is able to generate very favourable advertising rates from the media. This results in significant savings to Government in reducing overall expenditure by its agencies while meeting its communications obligations to the community.

The same negotiation strength allows the master media agency to gain significant added value for the Government, including better advertisement placement, added bonuses, and community service announcements at no added cost.

Mandating centralised media strategy and planning services for brand advertising through the master media agency brings further benefits to the Government. These benefits include improved advertising effectiveness, greater cost efficiency, greater transparency of operations, a capacity to better manage Government advertising from a Whole of Government perspective, and greater strategic and operational control at agency level.

**It must be recognised that the benefits to Government are dependent upon all relevant Government agencies and entities maintaining ongoing compliance with the mandated requirements and policy principles that are detailed in this Circular.**

For further information contact:

**Government Communications Advice (GCA)**

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