

To:	<b>Chief Executive Officer</b>	From:	<b>Ricky Burges, CEO</b>
Organisation:	<b>All Local Governments</b>	Date:	<b>22 June 2009</b>
Subject:	<b>Facts in Advertising Debate</b>	Priority:	<b>High</b>

**IN BRIEF**

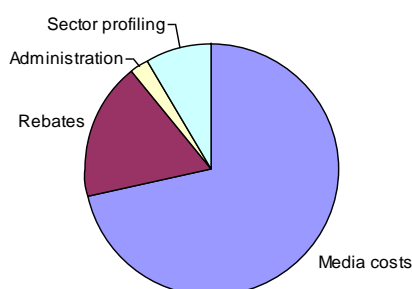
Operational Area:	<b>Corporate Services; Marketing and PR – Local Government Advertising</b>
Key Issues:	<ul style="list-style-type: none"> <li>• Correction of misleading media comments about the LG Advertising Contract</li> <li>• Advantages for Councils in new Advertising Contract</li> <li>• Local Government Contract delivers support and promotion of sector</li> </ul>
Action Required:	<b>Nil</b>

**Facts about the Local Government Advertising Contract**

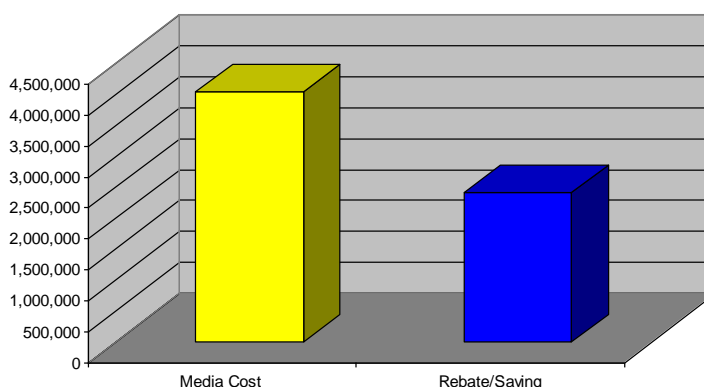
Recent inaccurate comments by the State Treasurer regarding the Local Government Advertising Contract require a response and clarification. In summary, the Treasurer has claimed that the Local Government Contract requires Local Governments to pay 20% more for their advertising. Please be advised that:

- Advertising rates in The West Australian Newspaper under the Local Government Contract are currently being negotiated for next financial year. The full value of Local Government expenditure is expected to deliver rates at least commensurate with rates under the State Government's CUA for Advertising.
- WALGA has negotiated significantly better rates for advertising in Community Newspapers.
- As part of our arrangement with The West Australian Newspaper, WALGA receives an aggregated rebate for all Local Government advertising which is an average of 37% of the cost of media. From this rebate, approximately \$200,000 is used to resource media rate negotiations, contract management and centralised billing. Approximately \$700,000 is used for whole-of-sector promotion, marketing and public relations. This benefits all Local Governments by improving community perceptions and understanding of our sector. \$1.5 million from the rebate is returned to Local Governments in the form of up-front discounts and year-end rebates. The representation of this arrangement is shown below:

**Local Government Advertising - All Media**



**Local Government Advertising - The West Australian Newspaper**



- A single aggregated supply option for Local Government advertising achieves optimal benefits for Local Governments, including the greatest negotiating power; terms and conditions that reflect the specific needs of Local Governments; and a wide range of substantial value-adds.
- The Local Government Advertising Contract is the only advertising arrangement that has been specifically developed for all of Local Government's advertising needs.

### Advantages of the new Local Government Advertising Contract

- **Long term price certainty:** The new Local Government Advertising Contract aims to restrict price increases for a three (3) year period. The implementation of three (3) year price arrangements is contingent on ongoing use of the Contract by Local Governments.
- **Broad media coverage:** The Local Government Contract is the only discounted advertising arrangement whereby Local Governments can use one media agency for all advertising, promotion and creative design – both campaign (recruitment, tenders and public notices) and non campaign (community events and festivals, promotions and special features). Under the WALGA Contract, Marketforce exPress is a “one stop shop” for all advertising – a benefit that is unavailable elsewhere.
- **Local Government Control:** The Local Government Contract provides the sector with control over negotiations, and allows WALGA to leverage value-adding benefits for Members.

### Local Government Contract supports Promotion of the Sector

The Treasurer's criticism of the Local Government Advertising Contract follows WALGA's challenge over the State Government exorbitant 300% increase in landfill levies. WALGA has also publicly highlighted that 40% of the increase in Local Government rate notices this year is a direct consequence of new and increased State Government charges. It is this very capacity of WALGA to promote and advocate the interests of our sector that the Local Government Advertising Contract enables. In recent times, the Local Government Advertising Contract has made it possible for the following marketing and promotional campaigns to be conducted for the sector:

- **Local Government Inserts and Special Features** in The West Australian Newspaper that profile Local Government careers and Council contributions to their local communities. There are seven (7) inserts scheduled for 2009/2010, including five (5) regional and two (2) whole-of-State inserts. The first regional feature focusing on the Wheatbelt was published on Friday 19 June.
- Discounted television advertising rates, enabling the new “**Local Government Makes Your World Work**” television campaign to be extensively advertised throughout Western Australia.
- Monthly **President's Column** on page 4 of The West Australian Newspaper at a heavily discounted rate. The column provides the sector with an avenue to influence both government policy and community perceptions. The most recent column on Tuesday 16 June highlighted the exorbitant rise in landfill levies and the potential for the State Government to extend this levy increase across the State.
- Periodic availability of **free advertising space** for the purpose of promoting Local Government, based on the number of bookings and advertising spend by respective Local Governments.

Specific media and advocacy campaigns funded through the Local Government Advertising Contract include:

- **Roads and Library funding campaigns**, which resulted in substantial increases in recurrent funding to support local roads and public libraries.
- Opposing the previous State Government's shift to the **Proportional Preferential Voting** system for Local Government elections, a position that was eventually reversed.
- Promoting **career opportunities** in Local Government to redress the skills shortage.
- Educating the community about the services and facilities provided by Local Governments.
- Encouraging greater participation in electors at **Local Government elections** by highlighting the role of Councils and Elected Members.
- Establishing and defending the sector's position with the community on **sustainability and reform**.
- Opposing **cost shifting** and increasing imposts on Local Government and the community including the recent increases to landfill levies and role of Local Government in collecting State taxes and charges.

Independent market research has confirmed that these campaigns have greatly improved community perceptions about Local Government at a time when little State Government investment has occurred. Recent research on last year's campaigns has shown:

- A **34% increase** in the number of people willing to consider Local Government as a career option.
- A **41% increase** in community understanding of services and facilities provided by Local Governments.
- Local Government careers promotion seen at least three (3) times by **93%** of all people (18+ years) in WA.