

**Senate Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry, Tourism and Resources Portfolio  
Budget Estimates 2005-2006, 30-31 May 2005

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**AGENCY/DEPARTMENT:** TOURISM AUSTRALIA  
**TOPIC:** TOURISM AUSTRALIA ADVERTISING ACCOUNTS  
**REFERENCE:** HANSARD 31/05/05, PAGES E25-26

**QUESTION No.124**

(Hansard 31/05/05, pp.E25-26)

**Senator O'Brien** asked about:

Is it possible to get a breakdown of the cost of the accounts that were in place, and have now been replaced by the new single entity, and the full cost or estimated projected cost of the combined account?

**ANSWER**

Tourism Australia was previously serviced by separate creative and media buying agencies.

Tourism Australia has now appointed M&C Saatchi to provide global creative services and Carat to provide global media planning and buying services, on a three year basis.

This approach will enable Tourism Australia to put its investment to work for Australia with a far more focussed and disciplined approach to all campaigns. Importantly, single global agency arrangements will provide increased accountability and transparency.

The new contract arrangements vary considerably from the previous separate contractual arrangements. For example, previous contracts did not include on-costs, such as media servicing fees or other additional costs which were incurred in the execution of the contract. The new global agency arrangement includes on-costs in the base fee, which will allow Tourism Australia to more accurately plan forward budgets. The different contractual structures do not provide for an accurate comparison between the old and new arrangements.

At this stage, Tourism Australia is awaiting Ministerial approval of the proposed budget expenditure for the period until 30 June 2006 in relation to the single global creative and media buying services contract. Costs incurred in 2004-05 are provided in the table below.

<b>Year</b>	<b>Name</b>	<b>\$ Amount (excl GST)</b>
2004-05	Brand Architecture (Australia)	74,500.00
2004-05	George Patterson Partners (Australia)	484,201.02
2004-05	Colenso BBDO Limited (New Zealand)	212,014.13
2004-05	TBWA Hong Kong Ltd (Asia)	579,358.49
2004-05	DAIKO Advertising Inc (Japan)	461,861.29
2004-05	Dailey & Associates (Americas)	646,868.56
2004-05	Grey Advertising Ltd (Europe)	1,059,522.18
<b>Total</b>		<b>3,518,324</b>