

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio
Budget Senate Estimates
1 June 2010

Question: BR23

Topic: International advertising spend

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Senator Birmingham asked:

Senator BIRMINGHAM—Okay. In terms of the year-on-year international spend for advertising buy, how will the current financial year compare with next financial year?

Mr McEvoy—I will take that one on notice, if that is okay. We will give you that figure.

Senator BIRMINGHAM—If you could. Obviously, there is a little bit of positive movement for your buy, at least, in the shift in the dollar.

Mr McEvoy—That is correct, yes. So we just want to have a look at that, given our exchange rate and what we can buy. We will get those numbers.

Answer:

Leisure Consumer Marketing

Tourism Australia's leisure consumer marketing programs deliver integrated marketing campaigns directly targeting the consumer, and incorporate not only traditional advertising channels but also social media, public relations, advocacy, as well as digital channels and content.

Leisure Consumer Marketing Budget

Tourism Australia's (TA) total international leisure consumer marketing budget in 2009/10 was AUD\$48.6 million (NB: This includes AUD\$8 million brought forward from the 2010/11 budget). TA's total international leisure consumer marketing budget in 2010/11 is AUD\$35.6 million.

The budget figures for both financial years reflect the Government's decision to bring forward AUD\$9 million from TA's 2010/11 budget into the 2009/10 budget.

TA's budgets in our international markets are in local currencies. Due to the strong Australian dollar leading to foreign exchange gains in 2010/11, TA has increased its leisure consumer marketing spend in most key markets in 2010/11 – see over page:

2009/10 Original Leisure Consumer Marketing allocations (as per Strategic Annual Plan, not including the AUD\$8 million brought forward) and 2010/11 allocation in local currency in our 11 key markets:

Market	09/10 Marketing AU\$ Allocation	09/10 Marketing Local Allocation	10/11 Marketing Local Allocation	Change in local Allocation	10/11 Marketing AU\$ Allocation
USA (USD)	7,449,299	5,020,828	5,654,851	+13%	6,124,609
UK (GBP)	7,240,647	3,424,826	3,527,561	+3%	5,854,873
Germany (Euro)	3,043,989	1,547,868	1,566,478	+1%	2,330,721
France (Euro)	1,595,867	811,498	1,184,756	+46%	1,762,767
NZ (NZD)	1,749,516	2,178,147	2,029,640	-7%	1,569,107
Japan (JPY)	5,068,133	331,506,580	307,737,991	-7%	3,691,462
China (CNY)	5,396,081	24,854,349	31,675,125	+27%	5,025,883
Korea (KRW)	1,313,928	1,264,918,486	1,379,999,615	+9%	1,324,095
Singapore (SGD)	1,083,323	1,111,489	1,359,199	+22%	1,057,084
Malaysia (MYR)	837,378	2,069,998	3,184,378	+54%	1,047,665
India (INR)	1,506,131	51,645,232	85,250,485	+65%	2,033,907

NB: New Zealand and Japan are the only two key markets where our 2009/10 local currency allocation for leisure consumer marketing has reduced. This is a strategic decision to reduce the expenditure in these markets in order to increase the expenditure in other markets, given that both these markets received large proportions of the additional AUD\$8 million brought forward from 2010/11 to 2009/10. See over page:

**Additional AUD\$8 million funding spent in market in 2009/10 in key markets
(NB: Remaining budget spent in Vietnam, Indonesia, Taiwan, Gulf)**

Market	09/10 Additional Funding AU\$ Allocation	09/10 Additional Funding Local Allocation
USA (USD)	0	0
UK (GBP)	0	0
Germany (Euro)	0	0
France (Euro)	0	0
NZ (NZD)	1,460,000	1,817,700
Japan (JPY)	2,110,000	138,015,100
China (CNY)	1,727,000	7,954,562
Korea (KRW)	95,000	91,456,500
Singapore (SGD)	415,000	425,790
Malaysia (MYR)	840,000	2,076,480
India (INR)	50,000	1,714,500
Pan Asia	975,500	