

Senate Standing Committee on Economics**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Estimates

18 October 2012

Question: SR25**Topic: TA Sponsorship of Northern Trust Open golf tournament****Proof Hansard Page: Written****Senator Ronaldson asked:**

1. The written answer to Questions on Notice no. 2091, question 4, states that "TA provided airfares and one night accommodation for participants who were not local to the event". However, in Proof Hansard, 18 October 2012, p. 10, Tourism Australia (TA) states twice that "we did not fly anyone over there" and "I would just like to correct the record, though, because we did not fly anyone there".
 - a) Did TA provide airfares for participants who were not local to the event? If so:
 - b) Why did TA state to the Committee that it "did not fly anyone over there"?
 - c) How many participants not local to the event did TA provide airfares and one night's accommodation for? Please provide the total cost and a complete breakdown of the costs associated with providing "airfares and one night accommodation for participants who were not local to the event".
 - d) Can TA provide the details of each airfare (e.g. where from and to) and what class each was at? Can TA provide the names of those who received airfares?
 - e) What was the name and location of the accommodation for each of these participants not local to the event, as well as any accommodation provided by TA for those local to the event? What was the star-rating of this accommodation? What were the names of the guests who received this accommodation?
 - f) What was the benefit of TA paying for the costs of accommodation and travel for individuals who were not local to this event?
 - g) If not, why did TA state in its written answers to Questions on Notice no. 2091 that "TA provided airfares"?
2. The written answer to Questions on Notice no. 2091, question 5, states that "the cost of travel, accommodation, food and other expenses for Tourism Australia guests...was \$11,749.41".
 - a) What did these travel expenses consist of?
 - b) Can TA provide a breakdown of the costs of these travel expenses?
3. In Proof Hansard, 18 October 2012, pp. 10-11, TA again refused to provide the names of the individuals funded by TA to attend the Northern Trust Open event at taxpayer expense. TA did not claim any public interest immunity in refusing to provide this information to the Committee, as required under Resolution 8 agreed to by the Senate. TA again refused to provide this information on privacy grounds.
 - a) Will TA now provide the names on these individuals funded by TA?

- b) If not, why not? Should not TA be accountable for the expenditure of taxpayer funds and on what basis does TA believe they can expend taxpayer funds without saying exactly what and who it was spent on?
 - c) Were TA funded VIPs part of the overall sponsorship package? If these TA VIPs were part of the overall sponsorship, then shouldn't their names be released? Otherwise, shouldn't these guests have paid for themselves?
4. With respect to the cost of TA's sponsorship of the Northern Trust Open golf tournament.
- a) What was the overall cost of sponsorship expended by TA for the Northern Trust Open held from 14 February to 19 February 2012?
 - b) Can TA provide a complete breakdown of the costs of sponsorship (e.g. individual costs of airfares, food, etc)?
 - c) Can TA provide a complete breakdown of what benefits they received from this sponsorship (e.g. full-page advertisements, etc)?
 - d) If TA cannot, or will not, provide the aforementioned information, why not?
5. The written answer to Questions on Notice no. 2091, question 3(c), mentions a VIP trip provided by Tourism Victoria and "Down Under Endeavours (a Chicago based specialist tour operator)".
- a) Are there any Australian-based tourism companies that could have provided this trip? Were any such companies approached by TA? If not, why not?
 - b) Did TA promote to Australian small business their "sponsorship" of a US PGA tournament? If not, why not?
 - c) Why did TA choose to sponsor the Northern Trust Open as opposed to sponsoring a US Champions Tour event or any other high profile Australian tournament?
 - d) Was there a reason why Australian small businesses were not provided with an opportunity to promote their business/companies and to offer incentives and prizes as part of the VIP trip to Australia for international golf fans?
 - e) Were Golf Australia approached to provide their expertise on golf participation given that TA wants to encourage US travellers to play on Australian golf courses? If not, why not?
 - f) Why is it that the sponsorship package until today has not been given any promotion through Australian media outlets to inform taxpayers, golf fans and small business enterprises in Australia about this promotion?
6. With respect to further details regarding TA's sponsorship of the Northern Trust Open:
- a) Can TA confirm the total amount of people it expended funds on, in any capacity, to attend this event?
 - b) Why was it necessary for 18 TA VIPs to attend this event?
 - c) Could the event have been run with a lower number of guests funded by TA attending the event?
7. There is a media release produced by the Northern Trust Open organisers entitled "Northern Trust Open announces official partnership with Tourism Australia", which states that "Tourism Australia will be the official sponsor and 18 Tourism Australia VIPs will participate in an exclusive clinic with a PGA TOUR professional". The written answer to Questions on Notice no. 2091, question 2(b), states that "the clinic was not a Tourism Australia sponsored event

attendance by Tourism Australia's guests was not mandatory and not officially recorded. Unofficial records indicate ten Tourism Australia guests participated in the clinic."

- a) Why do the Northern Trust Open organisers state that 18 Tourism Australia VIPs would participate in the event whereas the answer to the Question on Notice indicates that attendance was not compulsory and only attended by 10 VIPs? Who is correct and why is there a discrepancy in the information set out by TA and the Northern Trust Open organisers?
 - b) Why would the Northern Trust Open organisers mention the golf clinic as part of TA's sponsorship? Was this event actually part of TA's sponsorship and/or was it provided as a consequence of the sponsorship? Who initiated this event?
 - c) Is TA certain that only 10 VIPs attended this golf clinic and not a greater number?
 - d) Was any Australian PGA tour professional and/or any young Australian golfer offered the opportunity to participate in, or facilitate, this golf clinic? If not, why not?
 - e) Did any of TA's VIP guests participate in the Pro-Am? If so, what was TA's cost for the Pro-Am event fees?
8. With respect to previous and future sponsorship:
- a) Did TA have a partnership with the Northern Trust Open prior to 2012? Can TA provide details of this sponsorship, total costs and a breakdown of costs?
 - b) Does TA intend to sponsor the Northern Trust Open, or any similar US golf tournament, again in the future?
 - c) Whose idea in TA was it to sponsor this year's event?

Answer:

1. Tourism Australia's (TA) sponsorship of the Northern Trust Open supported the TA partnership with the Great Golf Courses of Australia initiative.

Great Golf Courses of Australia is an innovative marketing collaboration between the country's premier golf courses, TA, State Tourism Offices and the PGA of Australia aimed at tapping into the tourism potential of a sport worth \$3 billion annually to the Australian economy. In 2011 TA identified Golf as an aspirational category that would be a good fit for TA's 'Best of Australia' program. The sport attracts participants with higher than average wealth who are more likely to travel more frequently than any other affluent sports groups.

Involvement in the Northern Trust Open helped target this niche market, provide vital links with wholesalers and profile Australia's exceptional golf offering. Great Golf Courses of Australia is now attracting more than 100 rounds a month from international visitors through the booking service and their relationship with wholesalers, with large numbers of bookings coming from the USA and China.

- a) Yes, TA provided airfares for participants who were local to the event.
- b) The discussion as recorded in the Proof Hansard, 18 October 2012, included the comment 'that Tourism Australia have flown people over to the States for this sponsorship' and in this context TA interpreted the question as suggesting TA had flown participants from Australia to the US to attend the Northern Trust Open golf tournament. TA did not fly anyone from Australia to the US for this event. TA provided domestic North American fares to its guests who were not local to the event.

- c) TA provided airfare and/or accommodation for five participants:
- John Gosselink (Four Seasons Golf Tours) – RT airfare from Newark, NJ (economy class \$552.60) | One night's accommodations \$388.40
 - Thomas Jaronski (The Golf Connection) – RT airfare from Philadelphia, PA (economy class \$656.70) | One night's accommodation \$388.40
 - Cathy Mulrine (Goway Travel) – RT airfare from Toronto Canada (economy class \$345.42) | One night's accommodation \$388.40
 - Corinne Goodman (Down Under Endeavours) – RT airfare from Chicago, IL (economy class \$350.00) | One night's accommodation \$388.40
 - Ian Swain (Swain Tours) – No airfare provided | One night's accommodation \$388.40
- d) Refer to the response above.
- e) W Hotel – Westwood, 930 Hilgard Avenue, Los Angeles, California. No accommodation was provided for local attendees. The hotel was four star. Refer to the response to question 1c for names of the guests.
- f) The benefit was to bring together United States (US) based sellers and distributors of Australian tourism product with US based golf tour operators to explore and develop business opportunities to tap into a multi-million dollar international golf tourism market. Successful marketing and distribution of Australia's golf tourism offerings to the international market are vital to increasing Australia's share of this sector.
- g) Refer to the response to question 1a and 1b.
2. a) Airfare costs totalled \$1904.72. One night accommodation for non-local participants totalled \$1,942.00. Other expenses (conference room, audio visual, parking, and refreshments) totalled \$7,902.69.
- b) Refer to the response to question 2a.
3. a) Individuals funded by TA to attend the Northern Trust Open event were:
- Corrine Goodman – Down Under Endeavours
 - Doug Herbert – Down Under Endeavours
 - Mark Punshon – Stella Travel
 - Bruce Schulman – Travel Weekly
 - Jack Grant – Travel Weekly
 - Ruth Grau – Springboard Vacations
 - Warren Grau – Springboard Vacations
 - Ian Swain – Swain Tours
 - John Gosselink – Fore Seasons Golf Tours
 - Tom Jaronski – The Golf Connection
 - Cathy Mulrine – Goway
 - Michael Pierson – MJPA Consulting
 - Kylie Robertson – Hamilton Island
 - Chris Gurney – Premier Golf Destinations
 - Elizabeth Sattler – Great Golf Courses of Australia
 - Malcolm Griffiths – Tourism Tasmania
 - Tony Mayell – Tourism Tasmania
 - Leigh Arredondo – Tourism Victoria
 - Brian Albano – Tourism Australia
 - Daryl Hudson – Tourism Australia
 - Michelle Hatch – Tourism Australia

- b) Refer to the response to question 3a. TA provided the details of expenditure in relation to the Northern Trust Open as requested in answer to Question on Notice (QON) 2901. There were concerns that including the names would potentially breach the privacy of those private citizens participating in the sponsorship related activities and did not materially add to the expenditure details provided in its response to QON 2901.
- c) The attendance of TA's VIPs was funded in addition to activities provided under the sponsorship package as per the cost breakdown provided in response to question 2a. Also refer to the response to question 3a and 3b.
4. a) The media buy and sponsorship package was US\$200,000.
- b) As per TA's response to QON 2091, the sponsorship package included access to all amenities onsite at the golf tournament, participation in tournament related events: opening luncheon and TA sponsored Wednesday 'pro-am virtual draw and awards reception' and semi private viewing and dining and refreshment facilities during the event.

Sponsorship included: branded tickets, course maps, and video boards, full page advertisement in the official program (20,000+ copies), full page acknowledgement in the daily pairings guide (60,000+ copies), Australian tourism branding in the corporate hospitality area (visited by 400+ guests each day, including from corporate partners such as Northern Trust, Club Car, Mercedes-Benz, Principal Financial, Fidelity Investments, KPMG Consulting, Konica Minolta, MasterCard, PricewaterhouseCoopers, Tommy Bahama, Berringer Wine, and Fox Sports Television Network)

Individual costs for airfare, hotel accommodation and other expenses were provided as per the response to question 2a above.

- c) TA sponsored the PGA/Northern Trust Open at Riviera Country Club in the Pacific Palisades from 14 – 19 February, 2012 to promote why 'There's Nothing Like Golf in Australia'. We used this event, highlighting destination Australia and the product Great Golf Courses of Australia, to bring together an expert group of sellers to discuss ways to drive growth of the golf segment in Australia.

The sponsorship package also included:

RADIO

As part of our promotion with Northern Trust, TA were provided 80 spots on ESPN Radio (all during peak drive time | 730AM – 9AM and 5PM – 7PM), we were able to work with Elizabeth Sattler and the PGA to have Geoff Ogilvy record the spot with ESPN Radio (free of charge). The advertisement highlighted how the dynamic layouts of Aussie golf courses and year round weather combined with friendly Australian locals makes Australia the perfect place for a golf escape.

TELEVISION

Australian tourism coverage on the Golf Channel and NBC, as official sponsors of the tournament, reached 7.1 million households in the US.

EVENT HIGHLIGHTS

TA was the presenting sponsor of the Pacific Suites, and received onsite recognition at the Northern Trust Open through a number of targeted assets:

- Branded Tickets, Course Maps, and Video Boards
- Full page advertisement in the official program (20,000+ copies)
- Full page acknowledgement in the daily pairings guide (60,000+ copies)
- 100 per cent TA branding in the corporate hospitality suite, visited by 400+ guests each day.

In partnership with Tourism Victoria, TA hosted a large consumer display in The Grove Exposition Space during tournament week where fans entered to win a VIP trip to Australia provided by Tourism Victoria and Down Under Endeavors

TA's display saw over 15,000 consumers each day and Down Under Endeavors was able to generate over 500 consumer leads

- d) Refer to the responses to question 4a, 4b and 4c..
5. a) No. The purpose of this event sponsorship was to provide golf tourism and destination coverage to US consumers and attract US distributors of Australian golf tourism product to the sponsorship events to help build the product distribution channels required to grow this valuable tourism sector.
- b) No.
- c) The Northern Trust Open provided very strong media coverage for the sponsorship fee and the target audience for the event was very relevant to TA's target consumer group in the US market.
- d) Australian tourism businesses that offer golf tourism product are provided with the opportunity to promote their businesses through US based distributors many of whom participated in this sponsorship event.
- e) No. The PGA of Australia helped TA form the Great Golf Courses of Australia partnership and provided advice on how to promote the offering, including for the US market.
- f) The focus of the promotion was to drive US based consumers to US distributors of Australia golf tourism product and to explore and book their travel to Australia.
6. a) 18 VIP guests who attended the tournament and participated in TA sponsorship events, supported by TA funding.
- b) This activity was part of TA's effort to launch the Great Golf Courses of Australia strategy in the North American market. The 18 VIPs were TA's primary sellers of Australia (major South Pacific wholesalers) and US based Golf Tour Operators (currently selling golf destinations such as Scotland, Ireland, and Spain) and the development of business relationship between these two groups will assist the growth of the golf tourism segment for Australia.
- c) No, Tourism Australia took advantage of all the opportunities provided by the overall sponsorship package.
7. a) 18 TA VIPs did attend the Northern Trust Open but only 10 of this group participated in the free golf clinic with a PGA Tour professional. As stated in the response to QON 2091, TA did not keep an official record of attendance but recollection of the TA host is that 10 TA VIPs attended the clinic. The discrepancy is due to the fact the Northern Trust Open media release was issued prior to the event.
- b) The clinic was a part of the overall sponsorship package. It was not an additional activity at additional cost and was initiated by the Northern Trust Open in their sponsorship proposal. The information was included in the press release by the Northern Trust Open, showing PGA tour players' participation in their event helps the NTO show value to the golf market in the US.
- c) TA's recollection is that 10 VIPs attended the golf clinic.
- d) Geoff Ogilvy worked with TA in producing the radio spot on ESPN radio and also provided the voice over. Ian Baker-Finch made an appearance and signed autographs at the consumer tent promoting golf itineraries in Australia.
- e) No.

8.
 - a) No.
 - b) There are no plans for this financial year. All sponsorship opportunities are considered on their merits.
 - c) The opportunity was first presented to TA's US office.