

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

**Supplementary Budget Estimates Hearing – October 2008
Medibank Private Limited**



Topic: Medibank Private Limited

Question reference number: F54a-d

Type of Question: Written

Date set by the committee for the return of answer: 5 December 2008

Number of Pages: 2

Senator Cormann asked:

- a) In relation to Medibank's sponsorship activities, please indicate since December 2007, which Government ministers or backbenchers have attended Medibank-sponsored events including the Medibank International tennis tournament and National Rugby league matches featuring the Melbourne Storm?
- b) How much do sports and event sponsorship activities cost Medibank in 07-08 and expected in 08-09?
- c) Is Medibank's public exposure in these forms of sponsorships evaluated to gauge their impact on member recruitment and retention? Can it be concluded that the revenue brought in outweighs the costs?
- d) What is the three-year extension of the sponsorship of the Sydney International tennis tournament going to cost Medibank Private?

Answer:

- a) No Federal Government Ministers or Backbenchers have attended sponsorship activities since December 2007.
- b) MPL competes in a highly competitive environment. All health funds need to attract new members to sustain their fund financially by promoting their brands through involvement in sponsorships and partnerships. Marketing and sponsorship represent only 0.9% of MPL's contribution income. The forward projections and amount paid for sports and event sponsorship are commercial-in-confidence as we bid for these events in a commercial environment. None of our competitors for these events are required to disclose this information. Disclosure would provide our competitors with a competitive advantage to out-bid us on events or implement strategies to counter our sponsorship activities. This could result in MPL needing to pay more for our sponsorship, lose sponsored activities that attract new members or provide information to our competitors which would mean their sponsorship would be more effective.
- c) Yes. The sponsorship evaluation methods and conclusions are commercial-in-confidence as this information would provide our competitors with insights into our effective sponsorship activities. None of our competitors for these events are required to provide this information. Disclosure would provide them with information about effective sponsorship activities, providing them with a competitive advantage in developing sponsorship proposals.

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- d) The actual amount paid by MPL for the naming rights of the Medibank International is commercial-in-confidence as we bid for this in a commercial environment, see 54b for details of detrimental impacts of this.