



Australian Government

Invest Australia

**Submission to the Senate Foreign Affairs, Defence and Trade
Committee
Inquiry into the Nature and Conduct of Public Diplomacy in
Australia**

Invest Australia's submission into above inquiry addresses the specified terms of reference for the inquiry:

Terms of Reference

The nature and conduct of Australia's public diplomacy, with particular reference to:

- a. the extent and effectiveness of current public diplomacy programs and activities in achieving the objectives of the Australian Government;
- b. the opportunities for enhancing public diplomacy both in Australia and overseas;
- c. the effectiveness of, and possible need to reform, administrative arrangements relating to the conduct of public diplomacy within and between Commonwealth agencies and where relevant, the agencies of state governments; and
- d. the need, and opportunities for expanding levels of funding for Australia's public diplomacy programs, including opportunities for funding within the private sector.

Introduction

Invest Australia is the Australian Government's inward investment agency. Its mission is to attract productive foreign direct investment into Australia to support sustainable industry growth and development.

Invest Australia's public diplomacy activities are directed towards increasing global awareness of Australia as an internationally competitive investment destination.

Investment attraction is becoming increasingly competitive, with an estimated 500 national and regional investment agencies competing on the world stage.

Invest Australia is increasing its international presence through a range of international promotional activities including public relations activity, a global advertising campaign, attendance at key events and a multilingual website. In addition, Invest Australia has recently entered into an agreement with Tourism Australia to adopt the Brand Australia landmark as part of a new national business and investment brand.

To promote Australia as an investment destination, cooperation and collaboration with key stakeholders including Austrade, the Department of Foreign Affairs and Trade (DFAT), State and Territory investment agencies and regional development authorities is integral to the success of Invest Australia's objectives.

Invest Australia's major public diplomacy efforts are outlined below covering the following areas:

1. International media engagement
2. Public relations
3. Global advertising
4. Business brand
5. International events
6. Publications
7. Australians Abroad
8. Online Communication
9. National investment marketing group

Major activities

1. International media engagement

Invest Australia targets the international media community through two key activities: a Visiting Journalists' Program (VJP); and Foreign Correspondents' Association (FCA) engagement.

The VJP has two elements. Invest Australia works closely with DFAT and contributes to and leverages their existing International Media Program. Occasionally Invest Australia also hosts (funded and unfunded) its own media visits with targeted international business and trade press. These customised programs include Ministerial interviews and interviews with Invest Australia's executive, business associations, industry and State and Territory investment agencies.

Invest Australia's 2006-07 VJP focussed on leveraging from DFAT's International Media Program and participating in identified media visits where Invest Australia would be guaranteed media coverage.

Invest Australia participated in two DFAT International Media Visits and organised two unfunded media visits this financial year - Financial Times fDi and The Banker

magazines (November 2006) and German weekly business magazine, *WirtschaftWoche* (March 2007).

DFAT's media visits included Indian journalists from *The Telegraph*, *The Business Line*, and *The Economic Times of India* (November 2006) and an interview with a freelance writer for *Forbes* magazine researching an article on Indian investment into Australia (August 2006).

Engagement with the FCA provides Invest Australia with access to international media through journalists based in Australia. Direct distribution of media releases and backgrounders is made via the FCA network. Invest Australia also hosts exclusive briefing sessions for FCA members (November 2005 and March 2007).

2. Public relations

Since 2003, Invest Australia has engaged public relations (PR) firms in key markets.

From 2006/07, four PR teams are engaged in international markets - France, Germany, the UK and the US – and are managed centrally from Canberra. The yearly budget for this strategy is \$380,000.

The PR teams are engaged to generate positive media coverage about Australia as an investment destination in targeted markets and to improve knowledge and awareness of its strengths and advantages in these regions.

Each PR team is performing well and securing positive media coverage in key business and trade press. They are providing valuable market intelligence, are well networked, and are proactive in identifying opportunities that will raise the profile of Australia as an investment destination.

For the first 7 months of this financial year, Invest Australia has recorded 56 instances of positive media coverage globally, through the combined efforts of Invest Australia and its PR agencies.

Based on previous performance evaluations, the Return on Investment of PR activity is expected to be a minimum of 150% of the contract value (based on advertising value equivalent).

The employment of a locally engaged public affairs staff member in the China post in October 2006 has boosted IA's global PR network. The work done in-market is supported by the marketing team in head office.

State and Territory investment promotion agencies are encouraged to provide media opportunities to Invest Australia's contracted PR teams. The PR teams monitor their media performance on a monthly basis.

Maximum effectiveness between agencies located in international posts is best achieved through a coordinated and inclusive approach to promoting Australia in international markets. Pooling promotional efforts, particularly through a coordinated

events and media management approach, improves return on investment by tapping into collective resources and efforts.

While Australia has established processes for collaboration on key international events where Australia has a significant presence (see item 5 below), there is room for adopting the same approach in other public diplomacy efforts, thus ensuring that targeted and consistent messages are delivered. DFAT's missions in international markets could lead the Australian team approach and call on appropriate agencies to provide input to promotional material, for example, key messages, details of events spokespeople, and coordinated press material.

3. Global advertising

Invest Australia is investing approximately \$1 million in the 2006/07 financial year in a global advertising campaign targeting the US, Europe and Asia.

The campaign utilises both print and online media to promote Australia as an investment destination and is designed to positively influence international perceptions of Australia. Advertising copy includes targeted messages that build a positive and accurate image of Australia and is supported by factual, independent data.

Key messages in the advertisements match the target audiences' key drivers of investment as identified in research. The ads also address information failure and help educate the target audiences about Australia's economy, business environment and industries.

A key design element of the advertisements is the business application of Brand Australia – an internationally recognisable landmark that conveys positive connotations, complementary to Invest Australia's destination marketing efforts.

4. Brand Australia

The concept of a national brand, Brand Australia, was introduced in 1995 to promote Australia internationally as a tourist destination. In 2004, Tourism Australia embarked on creating a brand that would extend beyond tourism and encompass broader destination marketing principles.

Leveraging from the work, Austrade undertook to develop the collaborative Business Club Australia Brandmark, and the subsequent Austrade Guide to Brand Australia. In 2006, Invest Australia sought to adopt a business and investment extension of the brand to build on the success of the internationally tested, positive and recognisable brand image.

Invest Australia recognised that to help Australia remain competitive in an increasingly competitive global market, it would be good to leverage the awareness of

Brand Australia and its spend by key agencies including Tourism Australia, Austrade, and the National Food Industry Strategy.

Invest Australia's business and investment application of Brand Australia (the "Imagine a Brighter Future" national investment brand) has been developed in close consultation with Tourism Australia, Austrade, State and Territory Governments and industry associations with an interest in how Australia is portrayed internationally.

5. International Events

Invest Australia continues to work with government and industry stakeholders to coordinate Australia's national presence at major international events.

Throughout 2006/07 Invest Australia will participate in a number of collaborative international events with the participation of key Federal and State and Territory government agencies, industry and business. These include AusBiotech (Sydney, November 2006) G'Day NY and LA (New York, January 2007), NanoJapan (February 2007), BioSquare (Lyon, France, March 2007) and BIO2007 (Boston, May 2007).

The overall objective is to grow recognition of Australia's industry sectors by ensuring collaborative and ongoing participation at high profile industry events of national significance. Where possible speaker engagements are secured and participation of Australian companies at events is encouraged. The events strategy incorporates pre-event promotion to delegates as well as post-event evaluation to help maximise return on investment.

Support from the State and Territory governments, as well as other partner agencies – for example Austrade – is essential to the national approach. This approach is undertaken to manage the country's national image, maximise opportunities and resources, minimise costs and eliminate duplication of effort.

Invest Australia has partnered with Austrade (and partner agencies) in a number of business matching and business networking activities around key international events through its Business Club Australia (BCA) initiative. Since 2000, Invest Australia has worked closely with Austrade to develop BCA initiatives around the 2000 Olympics, Rugby World Cup 2003, and the M2006 Commonwealth Games.

Invest Australia's event budget is modest, and a coordinated 'team Australia' approach is increasingly important to compete with other country pavilions at international events.

6. Publications

Invest Australia produces a range of publications to promote Australia's strengths as an investment location, as well as to highlight the capabilities of selected industry sectors.

Publications include investment success and Australian capability case studies, industry capability documents and an annual flagship document.

Where appropriate, Invest Australia translates its products into a range of languages to better target investors in key markets.

Invest Australia periodically benchmarks its collateral against competitor companies, as well as surveys its overseas Posts to ensure the collateral produced better meets the needs of our target market, and represents best practice.

Increasingly we are finding support from the State and Territory governments, as well as other partner agencies – for example Austrade – which is assisting in creating a national approach. For example, we are increasingly receiving requests from other Australian Government agencies including DFAT and Austrade for Invest Australia promotional collateral for their clients. In addition, the State and Territory Governments use Invest Australia collateral for presentations to potential clients. In some instances, Invest Australia produces co-branded industry collateral in collaboration with other Australian Government agencies, the State and Territory Governments, and industry associations for specific events.

7. Australians Abroad

Towards the end of 2006, Invest Australia developed the Australians Abroad pilot program to increase positive public diplomacy within the international business community. A key strategy of the program is to educate and encourage endorsement, word-of-mouth marketing and reinforcement of key messages by influential Australian business leaders based in key international markets.

Two key expatriate organisations in the US – Advance and the American Australian Association – were selected through a competitive process to raise the level of awareness of Australia as an investment location. They have been responsible for distributing Invest Australia's e-newsletter, Inflow, to their membership and organising networking events in the US on behalf of Invest Australia.

The pilot program will be formally evaluated in the context of the 2007/08 business planning and budgeting process.

8. Online Communication

The Invest Australia web presence is a critical medium for marketing Australia's competitive advantages to the international business community. Given Invest Australia's limited on-ground resources in global markets, its website is a prime means of providing comprehensive and up-to-date information about Australia's business environment to potential investors. Invest Australia has a multilingual website that provides translated information to targeted markets. The website records around 1 million hits a month (33,000 hits a day); 23,000 visits a month (of which

78% are international); 115,000 pages viewed a month; and 18,000 downloads a month.

Invest Australia also produces *Inflow* a fortnightly electronic newsletter to highlight current activities and news items of note for potential investors. With over 12,000 people subscribed to the newsletter, and that number steadily growing, this is an important tool in reinforcing the key messages. Each story in *Inflow* is linked to further information on the website and the click thru rate to the website is 16%.

In addition to Invest Australia's prime website (www.investaustralia.gov.au), Axis Australia – the financial services division of Invest Australia – has its own customised website. This website records some 238,000 hits and 21,000 visits a month, and in the six months to December 2006 recorded over 84,000 publication downloads. Axis also has its own e-newsletter called a2a with a subscription of around 2,500 (with 80% from sites overseas) and a click thru rate to the website of 14%.

9. National Investment Marketing Group

The National Investment Marketing Group (NIMG), chaired by Invest Australia, is a vehicle for coordinating the national investment marketing effort between the States and Territories and the Australian Government.

There is an opportunity to have a more coordinated national effort in promoting Australia as an investment destination. Adopting Brand Australia and developing the "Imagine a Brighter Future" as the national investment landmark, may encourage greater buy-in to a national approach.

It is envisaged that as more stakeholders adopt Brand Australia, the coordination and impact of Australia's business marketing may be intensified for the benefit of all participants.