

## TOURISM AUSTRALIA – ADVERTISING PROCUREMENT

### **Did PM&C provide advice on the procurement of advertising by Tourism Australia? Is PM&C satisfied that Tourism Australia's processes were sound?**

- PM&C was requested to review the processes used by Tourism Australia to select new providers for its worldwide advertising activities, as part of assurance of compliance with the Commonwealth Procurement Guidelines. PM&C provided comments to Tourism Australia, which were inputs into its management and deliberative processes.
- Responsibility for conformity of Tourism Australia's procurement processes with the Commonwealth Procurement Guidelines rests with the Managing Director and Board of Tourism Australia.

### **Background**


On 15 July 2005, Tourism Australia (TA) announced the outcome of tender processes, under which M&C Saatchi won its creative account for worldwide advertising for 3 years and Carat secured the media planning and buying component. s.47E(d)  
s.47E(d) s.47G(1)  
s.47G(1)

TA is a statutory authority governed by the *Commonwealth Authorities and Companies Act 1997* and is bound by the Commonwealth Procurement Guidelines. Under the *Tourism Australia Act 2004*, TA is not able to enter into a contract for more than \$5 million without the approval of its Minister.

- In June 2005, TA sought the approval of the Hon Fran Bailey MP, Minister for Small Business and Tourism, for entry into contracts with selected providers, intended to commence by 1 July 2005.
- On 15 June, Ms Bailey asked Mark Paterson, Secretary of the Department of Industry, Tourism and Resources, for advice on whether TA's process satisfied relevant Commonwealth Government procurement guidelines.
- Mr Paterson sought an independent view from PM&C, noting that Mr Paterson was a member of the Board of TA. s.47E(d) PM&C agreed to review materials provided by DITR, and ask TA to explain the process it had used and address questions from P&C.
- TA executives met with PM&C on 27 June. PM&C put a number of concerns about the assessment process, particularly shortlisting of tenderers for creative, prior to detailed assessments. TA provided further material to PM&C. s.42  
s.42
- TA reconvened its assessment panel on 4 July and reassessed tenders using revised scoring. The ranking of the top three tenderers did not change. On 6 July, TA's Audit Committee reviewed and cleared the process. We understand that TA's Board re-approved the tender recommendations on 7 July, and Ms Bailey approved the contracts shortly thereafter.

Contact: s.22(1)(a)(ii), FAS People, Resources and Communications s.22(1)(a)(ii)  
Consultation: Government Division

s.22(1)(a)(ii)



**Tourism Australia's new approach to marketing itself and the country.**

On 15 July 2005 you (Minister Bailey) announced appointment of:

- M&C Saatchi to provide Tourism Australia's global creative services, and
- Carat to provide Tourism Australia's global media planning and buying services.

We understand these two agencies are in a critical stage of developing a new marketing campaign for Australia.

It is expected the new marketing strategies and a new campaign will be released in early 2006.

s.22(1)(a)(ii)

