

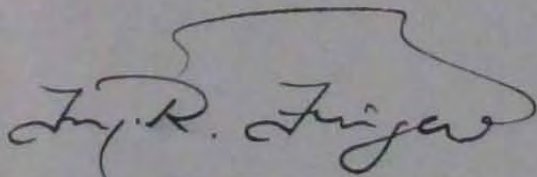
CONFIDENTIAL
CABINET DECISION

No.3328.....

Submission No.: 2838

Title: SPONSORSHIP PROPOSAL - ADVANCE AUSTRALIA
CONQUEROR/THE NON-STOP CIRCUMNAVIGATION OF
THE EARTH BY A MANNED BALLOON

Cabinet decided that the Submission be not approved.



(M.R. FINGER),
Secretary to Cabinet.
20 December, 1983.

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FOR CABINET

SUBMISSION No: 2838

Title:	SPONSORSHIP PROPOSAL - ADVANCE AUSTRALIA CONQUEROR/ THE NON-STOP CIRCUMNAVIGATION OF THE EARTH BY A MANNED BALOON
Minister	Industrial Development and Tourism
Purpose:	To obtain Cabinet approval for the allocation of the necessary funding to enable the Northern Territory Tourist Commission to take up a major sponsorship option.
Relation to existing policy:	Consistent with the Commission's principle charter for the International and National Promotion of N.T. Tourism.
Timing/ legislative priority:	To be considered at Cabinet meeting 20 December, 1983.
Announcement of decision, tabling, etc:	To be deferred until final agreement has been ratified by the project organisers.
Acting re- quired before announcement:	N/A
Staffing implications, numbers and costs, etc:	Major sponsorship option - \$400,000.00.
Total cost:	\$400,000.00.

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Department/Authority..... DEPARTMENT OF THE TREASURY.....

COMMENT ON CABINET SUBMISSION No.

TITLE: SPONSORSHIP PROPOSAL - ADVANCE AUSTRALIA CONQUEROR/THE NON
-STOP CIRCUMNAVIGATION OF THE EARTH BY A MANNED BALLOON

COMMENTS:

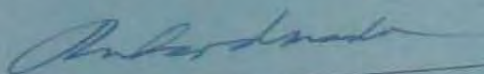
1. The Commission has available \$2.256M for promotional purposes in 1983/84, including a specific increase of \$152,000 in 1983/84 to promote Yulara. The submission contains no information as to why all or part of the promotion cannot be met from its existing budget.

- (2) The submission contains no data on possible alternative uses for the money requested, nor any attempt to quantify benefits.

Recommendation :

- (1) In view of 1983/84 budget situation, no allocation in 1983/84.

- (2) If Cabinet wishes to proceed, expenditure to be first charge against 1984/85 tourist promotion allocation.



SIGNED: R.C. MADDEN

DESIGNATION: UNDER TREASURER

DATE: 21/12/83

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THE ISSUES

1. To obtain the necessary and specific funding allocation to enable the Tourist Commission to take up a major sponsorship option for a unique National and International Promotional opportunity.

BACKGROUND

2. Should the Northern Territory exercise its sponsorship option a team of International experts will select the Northern Territory, either Alice Springs or Ayers Rock, as the location for the launching of a specially designed 150,000 cubic foot helium balloon and gondolier for a non-stop circumnavigation of the earth.

3. The attempt will provide unique and dramatic advertising/promotion opportunities prior to, during and post flight activities which will attract worldwide media attention.

4. The project proposes utilisation of the high altitude jet stream air currents for attainment of its goal which is expected to result in a non-stop flight of 16 days duration covering approximately 22,500 miles.

CONSIDERATION OF THE ISSUES

5. Television and print media coverage of the event is conservatively valued at \$34m.

6. The project will be a media based operation with on-board broadcasting facilities capable of providing daily worldwide audio and visual communication.

7. The major sponsor will be directly and visibly associated with the project in all phases of its operation. The accrued advertising achieved through the Territory's National and International exposure as a result of its association with the project are substantial.
 - a. The specific opportunities identified by the project organisers are detailed by Attachments A and B.

8. Theoretical and practical probability analysis conducted by the World Authority on Atmospheric Research have been assessed as in "the high 90's".

9. The success of the venture has been considerably enhanced by the extensive support received from International Organisations who believe in the validity of the project.

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4

10. The pilot, Mr. Julian Nott, (38, British) holds several Hot Air Balloon Records and during his career has been awarded
- a) 1980 - The Britannia Trophy. (Award to the British Aviator accomplishing the most meritorious performance in the air during the preceding year. The trophy has been given on only 45 occasions and its recipients include - 1928 Bert Hinkler, 1930 - Charles Kingsford Smith, 1967 - Miss Sheila Scott)
 - b) 1974 - Gold Medal of Royal Aero Club. (Outstanding achievement in aviation principally as a pilot. The medal has been awarded on only 31 occasions and its recipients include - 1908 Wilber & Orville Wright, 1908 - Louis Bleriot, 1931 - Bert Hinkler, 1936 - Amy Johnson, 1969 - Neil Armstrong, 1971 - Sheila Scott)

OPTIONS

11. a. Ignore the opportunity entirely and maintain the established and traditional forms of marketing activities currently being undertaken by the Commission.
- b. Take up the option of major sponsorship by payment of the nominated sum of \$400,000.00.
12. In order to achieve optimum promotional cost-effectiveness, the Commission's existing marketing activities, particularly within the International arena are necessarily industry orientated. i.e. Direct consumer advertising is

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financially prohibitive. The Advance Australia Conqueror Project provides a unique and indeed rare opportunity for the Northern Territory to achieve International Consumer Advertising of multi-million dollar proportions.

PUBLIC IMPACT

13. In view of the uniqueness and dramatic nature of the project and the fact that the Northern Territory's financial commitment is protected against the venture failing, favourable public reaction may be anticipated.

FINANCIAL CONSIDERATION

14. A commitment of \$400,000.00 is required to secure major sponsorship rights.

15. Lloyds Aviation Insurance are so convinced of the project's viability that they are prepared to offer a 100% indemnity against failure: the indemnity provides for a complete refund of all money should the balloon refuse to perform, with a reducing indemnity calculated as a proportion of the days flown. i.e. the publicity accrued.

16. An estimated \$34m of television and print media exposure is expected to be created by the project: details are provided at Attachment C.

CO-ORDINATION AND CONSULTATION

17. In adhering to a request for this paper to be available for consideration at the Cabinet Meeting of 20 December, it has not been possible to obtain the comments of other departments/authorities.

PUBLICITY

18. Initial publicity statements associating the Northern Territory with the project will be prepared for release by the Minister when the sponsorship agreement has been finalised with the project organisers.

TIMING

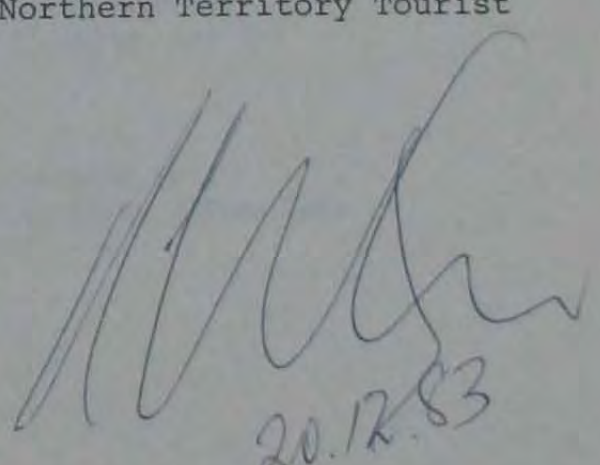
19. Confirmation of the Northern Territory's involvement should be relayed to the project organisers as soon as possible.

RECOMMENDATION

20. That Cabinet

a. Approve involvement by the Northern Territory with the Advance Australia Conqueror Project as major sponsor.

b. Approve the allocation of \$400,000.00 as a separate and specific allocation to the Northern Territory Tourist Commission for this purpose.



A handwritten signature in black ink, followed by the date "20.12.83" written below it.

ADVANCE AUSTRALIA CONQUEROR

The major sponsor will be directly and visibly associated with all aspects of the principal project and a substantial number of affiliated projects as listed:

1. Major Media Announcement of Project and Sponsorship by Advance Australia and principal sponsor as agreed
2. National Press Conference with the pilot and Project Manager
- * 3. A test flight with a scaled balloon model of 15 feet in diameter to be launched from Australia to verify jet stream flight theory
4. The Advance Australia Conqueror will be further tested in a 2-day flight across the United States from West to East Coast
5. A major national media campaign to find a suitable co-pilot to "take his/her place in history"
6. Extensive coverage of the training and selection programme of the co-pilot
7. Major launch of the Advance Australia Conqueror to commence its 20-day history making circumnavigation of the world
- * 8. Farewell and Welcome chartered flights by Qantas
9. Television Documentary of 60 min. duration on all aspects of the Advance Australia Conqueror, including crew selection and training, and its flight across U.S.
10. International launch of book covering this historic voyage to be written by pilot Julian Nott

ATTACHMENT A

11. International lecture tour by Julian Nott
 - * 12. Visits by patrons of Advance Australia Conqueror which include Sir Edmund Hillary, Jacques Cousteau, Neil Armstrong, Thor Heyerdal, Lord Hunt
 13. Official National and State receptions for pilot and co-pilot
 14. Souvenir media supplements.
- * Subject to confirmation.

ADVANCE AUSTRALIA CONQUEROR

SPONSORSHIP OFFER

The benefits offered to the major sponsor of the Advance Australia Conqueror Circumnavigation of the World Balloon Project are substantial in terms of national and international exposure by means of the following specific rights:

1. Status of EXCLUSIVE MAJOR SPONSOR or similar definition as required may be used by sponsor in any supportive promotional activity
2. The major sponsor will be similarly identified by Advance Australia and the Project team in all of their promotional activities and media functions
3. The major sponsor will have the naming rights to the balloon, provided it contains Advance Australia Conqueror, e.g.

QANTAS
Advance Australia
CONQUEROR

4. The sponsor also has the exclusive rights to the Project slogan, which can be included in all promotional activities and form the principal identification on the balloon envelope, e.g.

"THE SPIRIT OF AUSTRALIA"

5. The sponsor is entitled to fifty percent (50%) of the total balloon advertising space which will be allocated as two opposing quarters. The remaining space is reserved for Advance Australia identification by use of its logo exclusively and no other sponsor will be given exposure on the balloon
6. The sponsor will also secure the rights to fifty percent (50%) of the exterior advertising space on the capsule, which will be allocated as mutually agreed. The remaining space will be apportioned to Advance Australia and a limited number of mini-sponsors

7. Under similar conditions the sponsor will also receive fifty percent (50%) of the interior advertising space of the capsule
8. The sponsor has the opportunity to use interchangeable promotional graphics and messages to be used as backdrops for satellite telecasts from within the capsule for the duration of the flight
9. Each satellite telecast will contain opening and closing message which will include the Project name and slogan
10. The sponsor's logo and/or slogan will be visibly shown on all crew apparel by placement on one upper sleeve, the opposite upper chest and half of the back of garments. Similar space will be reserved for use and allocation by Advance Australia
11. The sponsor will also receive major credits and acknowledgment in the television documentary to be filmed on this project
12. The sponsor has further opportunity for subliminal advertising in the television documentary
13. The sponsor also has the right to utilise the specifically designed Project logo incorporating the Advance Australia logo in all of its promotional activities for 1983/84. The proposed Project logo may be compared with the Advance Australia Challenge America's Cup logo
14. Similarly the sponsor may also use the Project mascot graphics developed by Advance Australia
15. The sponsor may appoint one representative to the Project Co-ordinating Team to ensure the closest liaison and co-operation between sponsor, Advance Australia and Conqueror Systems Australia Pty. Ltd., the company responsible for all technical aspects and the actual flight itself
16. The sponsor's message and/or slogan as agreed will be incorporated into the above activities, materials and advertising spaces at no additional cost to the sponsor

ADVANCE AUSTRALIA CONQUEROR

MEDIA EXPOSURE ESTIMATES

To fly around the world non-stop, without aid and in a balloon is the Everest of Flight.

Jules Verne dreamt of achieving it in 80 days. The Advance Australia Conqueror will achieve this feat in less than 20 days.

Interest in this ambitious endeavour will be universal, as will be its electronic and print media coverage. The following media exposure estimates are based on known advertising rates and anticipated minutes and column-inches devoted to the coverage of this epic journey.

Attempting to accurately estimate the value of the international media exposure received for this project is a substantial and difficult task. For the purpose of the following estimates, Advance Australia has based these on known media rates and has taken what it believes to be a conservative approach.

The following media rates are limited examples for the U.S., U.K. and Australia:

. U.S. Network TV 1/60 sec TVC, e.g. CBS, ABC, NBC	\$120,000
. U.K. Network TV 1/60 sec TVC	\$ 30,000
. Aust. Network TV 1/60 sec TVC	\$ 12,000
. Front Page "Time", "Newsweek"	\$500,000
Page "Time", "Newsweek"	\$250,000

TELEVISION:

U.S. Network TV

- . Test flight -
preparation and follow-up
in News and Current Affairs
approximately 8 minutes \$960,000
- . Circumnavigation - 20 days
in News and Current Affairs,
e.g. Johnny Carson Show
approx. 45 mins. \$5,400,000

News, General TV

- . Test flight and
Circumnavigation
approx. 3 mins. \$360,000

U.K. Network TV

- . Test flight
approx. 8 mins. \$240,000
- . Circumnavigation
approx. 45 mins. \$1,350,000

News, General TV

- . Test flight and
Circumnavigation
approx. 3 mins. \$90,000

AUST. Network TV

- . Test flight and
Circumnavigation
approx. 60 mins. \$720,000

News, General TV

- . approx. 10 mins. \$360,000

OTHERS

Total coverage of Test and
Circumnavigation in Europe,
Japan, South Africa and
South America

Conservative estimate \$2,000,000

TOTAL VALUE TELEVISION \$11,480,000
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PRINT MEDIA:

Magazines -

Magazine coverage of total project including Test Flight, Pilot selection, Circumnavigation, internationally and including Time, Newsweek, Life, National Geographic, Readers' Digest, Der Stern, Bulletin, etc. etc. estimated conservatively by our advertising agency Monahan Dayman Adams (MDA) at

\$10,000,000

General Press -

Australia and international press coverage conservatively estimated at

\$5,000,000

TOTAL VALUE PRINT MEDIA

\$15,000,000
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ATTACHMENT C

DOCUMENTARY:

A 60 min. Television Documentary is proposed for production by SPORTSMASTER PTY. LTD. This company secured the exclusive rights from the Bond Syndicate to film the America's Cup Challenge 1983, entitled "Aussie Assault".

The television documentary will deal with all aspects of this ambitious project, including the personal story of Julian Nott - the pilot - the selection and training of the Australian co-pilot, the preparation and coverage of the 2-day test flight across the U.S., and finally the epic journey itself across the Australian, South American and South African Continents and the vast areas of hostile seas separating these.

The following media value estimates are based on the documentary gaining prime viewing time only in Australia, although it is not unreasonable to expect the same at least in the U.K., given Julian Nott's involvement:

U.S.	60 mins. @ \$60,000 per min.	\$3,600,000
U.K.	60 mins. @ \$15,000 per min.	\$900,000
AUST.	60 mins. @ \$12,000 per min.	\$720,000
OTHERS	- Europe, Asia, South Africa, South America	\$2,000,000
TOTAL VALUE DOCUMENTARY		\$7,220,000 =====

WORLD WIDE ESTIMATES

TOTAL MEDIA VALUE

TELEVISION	\$11,480,000
PRINT MEDIA	\$15,000,000
DOCUMENTARY	\$7,220,000
TOTAL:	\$33,700,000 =====