

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010

Finance and Deregulation Portfolio

Outcome 2, Program 2.3

Topic: Google Advertising

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Senator Sherry asked:

Senator Sherry—Senator Conroy, as you have indicated in the quote, was obviously referring to one aspect of the behaviour that he was concerned about, one aspect of Google’s operation. That does not necessarily mean that the other aspects of the Google advertising can be similarly critiqued. We will find out the details and justification for the Google ads—what their purpose was et cetera.

Answer:

With respect to advertising campaigns, the Australian Government uses search engine marketing (SEM) through Google and other providers to assist access to comprehensive online information about government policies, programs and services which affect their entitlements, rights and obligations by the public.

The Australian Government has no commitment for the minimum use of Google for the delivery of SEM. Whether or not Google is considered for the delivery of SEM is determined on a case-by-case basis.

With SEM, advertisers, including the Australian Government, buy specific keywords relating to a subject. When a member of the public types one of those keywords into a search engine, relevant results are displayed prominently as a sponsored link, which may prompt the user to click through to the relevant website for further information.

Advertisers generally pay on a “cost per click” basis, with costs varying depending on the popularity of the keywords.