



TOURISM
WESTERN AUSTRALIA
Annual REPORT
2018-19

OPTUS STADIUM *yes*

Optus Stadium, Perth

WESTERN
AUSTRALIA

CONTENTS

MESSAGE TO THE MINISTER	2	3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY	32
1.0 OVERVIEW	4	3.1 GLOBAL TRENDS	33
1.1 Executive Summary	4	4.0 DISCLOSURES AND LEGAL COMPLIANCE	34
1.2 Operational Structure	8	4.1 Independent Auditor's Report	34
1.3 Performance Management Framework	15	4.2 Financial Statements	38
2.0 AGENCY PERFORMANCE	18	4.3 Key Performance Indicators	75
2.1 Report on Operations	18	4.4 Ministerial Directives	81
2.2 Financial Targets	30	4.5 Other Financial Disclosures	81
2.3 Key Performance Indicators	31	4.6 Governance Disclosures	84
		4.7 Other Legal Requirements	89
		4.8 Government Policy Requirements	90

ACKNOWLEDGMENT OF COUNTRY

Tourism Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and culture.

We pay our respects to all Aboriginal peoples; Elders past, present and emerging.

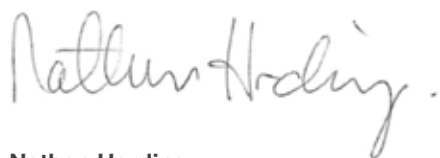
MESSAGE TO THE MINISTER

To the Honourable Paul Papalia CSC MLA, Minister for Tourism

Dear Minister

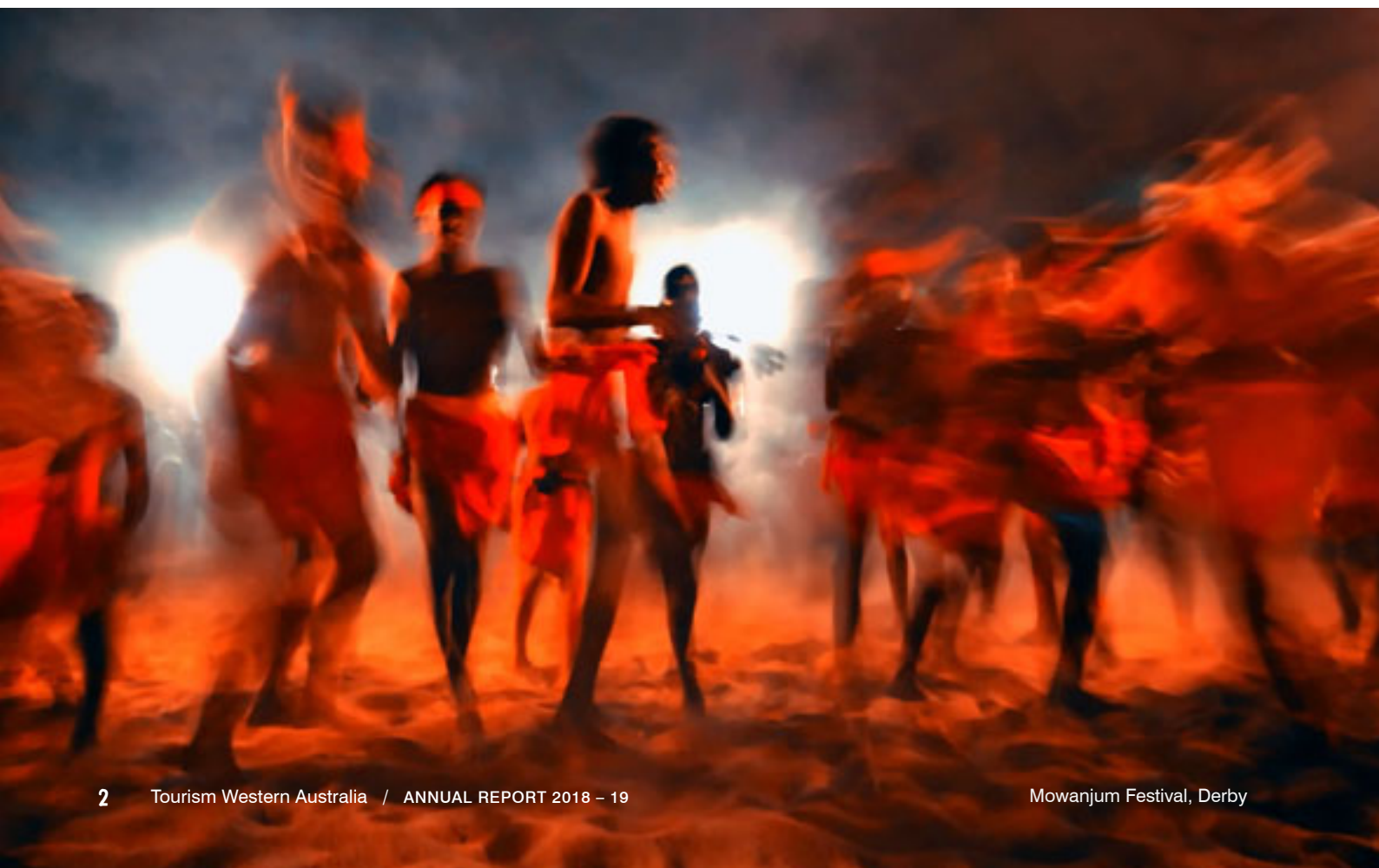
In accordance with Section 63 of the Financial Management Act 2006, it is my pleasure to submit for your information and presentation to Parliament, the Annual Report of the Western Australian Tourism Commission (operating as Tourism Western Australia) for the year ended June 30, 2019.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Nathan Harding
CHAIRMAN
WESTERN AUSTRALIAN TOURISM COMMISSION

August 30, 2019



An aerial photograph of a lagoon, likely Hutt Lagoon, showing a sandy beach on the left and a large body of water on the right. The water has a pinkish-purple hue, characteristic of a salt flat or lagoon. The background shows some green and brown vegetation.

22.2 MILLION

*Intrastate daytrips
were taken within the State*

11.1 MILLION

*overnight visitors
came to or travelled within WA*

These visitors spent

\$10.1 BILLION

1.0 OVERVIEW

1.1 EXECUTIVE SUMMARY

Message from the Chairman

I am delighted to present the Tourism Western Australia Annual Report for 2018-19.

This has been a year of significant change and achievement for Tourism WA.

The Board has remained focused on maximising the return on investment to the State through the implementation of the Two-Year Action Plan for Tourism Western Australia 2018 and 2019 (Two-Year Action Plan). The Two-Year Action Plan was developed by Tourism WA, in collaboration with the industry, and was launched by the Minister for Tourism and myself in March last year.

The flexibility of funding provided by the State Government has enabled the Board to direct spending into the areas that deliver the greatest outcomes, and to change a range of settings, with a firm focus on increasing visitation and tourism jobs. The organisation has also been able to navigate and overcome a number of challenges during the year.

However, the numbers speak for themselves; according to the latest National Visitor Survey (NVS) for the year ending March 2019 and the International Visitor Survey (IVS) for the same period WA had a record-breaking 2.66 million out-of-state (international and interstate) visitors. Spending by these visitors also increased by 7.6 per cent to \$3.9 billion.

The NVS results also revealed more good news. WA recorded 1.7 million visitors from interstate with an overall spend of \$1.7 billion - the highest figures to date.

The results from both the surveys are a clear indication that the Two-Year Action Plan is working and holds the agency in good stead to develop a longer-term over-arching strategy that will drive the work of Tourism WA and the industry beyond 2020. Tourism WA will undertake this in close collaboration with the industry and across government, which will enable us all to join forces in a singular focus to realise this potential over the next decade.

A key theme of the Two-Year Action Plan is to change the perceptions of Perth and WA. This has been achieved through a range of targeted advertising campaigns and blockbuster events that have drawn a lot of attention to the 'new Perth'. We also secured and hosted the Australian Tourism Exchange, which brought many of the world's most influential travel buyers to the State.

Coupled with this is an important piece of work that is redefining the agency's marketing approach and developing a holistic tourism brand story that will give WA a clear and bold position in the marketplace.



The branding will align the industry, cut through a crowded marketplace and give visitors a compelling reason to choose WA over our competitors. The branding will drive the direction of future marketing campaigns and will be delivered in 2020.

Our Events Strategy has produced some incredible results in the past year; mass participation events delivered more than 10,000 visitors to the State; support of the newly expanded Western Australia Gourmet Escape saw new locations added to the Margaret River event, including the Swan Valley and Perth CBD, and ongoing support of cultural events such as Perth Festival has allowed those events to grow. Tourism WA is also working on developing a home-grown event for WA, which will be delivered in 2020.

With the addition of the 60,000-seat Optus Stadium, the State is now in a stronger position to competitively tender and deliver large-scale events such as the NRL State of Origin and securing Manchester United, along with their loyal supporters, to WA. The 'most beautiful stadium in the world' has been a fantastic bonus to the State and has had a flow-on effect across all aspects of the tourism industry.

Another key theme is cementing WA as the western gateway to Australia. This year the Western Australian (WA) Government committed an additional \$10 million over five years for aviation development. A significant amount of focus on aviation development has already resulted in us securing direct daily flights from Tokyo to Perth with All Nippon Airways (ANA). The flights commenced on September 1, 2019 and are expected to deliver a significant boost to visitation and tourism jobs.

This year the WA Government also committed \$12 million to international marketing funds, which will allow Tourism WA to compete more efficiently in the international arena with our Eastern States counterparts and other destinations.

WA has a significant opportunity to be Australia's preeminent destination for Aboriginal tourism, giving WA a powerful point of difference along with considerable economic and community benefits. I was pleased to recently recommit to a new four-year funding agreement with Western Australian Indigenous Tourism Operators Council (WAITOC), while we continue to work on an Aboriginal Tourism Action Plan to bring this opportunity to reality.

Whilst I believe this year has been a landmark year for Tourism WA, with significant achievements, there is still a long way to go for WA to reach its full tourism potential.

Rebecca Brown was appointed to the role of Tourism WA Chief Executive Officer in September 2018 and has worked closely with the Board and the Tourism WA staff and I'd like to thank her for her valuable insights and direction.

The Board was very pleased to welcome Brodie Carr as inaugural Managing Director of Tourism WA during the year, along with the new members of the executive management team, who have already had a significantly positive impact on the organisation and outcomes.

This record growth is in no small part testament to the guidance and direction of our experienced, skills-based Board, commercial acumen of the new executive team, and unwavering commitment of our staff to help grow the WA tourism industry.

I would like to thank the Board, comprising a diverse group of highly skilled Commissioners who have guided the organisation through various changes. In particular, I would like to thank outgoing Commissioner Ian Thubron for his steadfast contribution to the Board and welcome new Commissioner, Di Bain.

Thank you also to the Premier, the Hon Mark McGowan MLA, and Minister for Tourism, the Hon Paul Papalia CSC MLA, who continue to provide enthusiastic support and have been instrumental in helping Tourism WA develop a competitive edge in selling our amazing State.

On behalf of the Board, I would like to thank the staff at Tourism WA for their commitment and for embracing the changes.

Finally, thank you to the industry for their ongoing strong support of Tourism WA and the Two-Year Action Plan. A strong sense of collaboration and partnership is enabling the industry to reap the rewards and I look forward to continuing this exciting journey with you.



Nathan Harding
CHAIRMAN

September 19, 2019



Whaleshark, Ningaloo Reef

Message from the Chief Executive Officer

Since being appointed to the roles of Tourism WA Chief Executive Officer and the Department of Jobs, Tourism, Science and Innovation Director General in September 2018, I have worked together with the Tourism WA Board of Commissioners, Managing Director, executives and staff with the sole aim of attracting more visitors to our wonderful State.

Tourism remains a priority for the WA Government and makes a major contribution to the State's economy; generating 108,800 jobs and injecting \$12.9 billion annually into the Western Australian economy.

Growing the tourism industry is key to the State Government's plan to diversify the economy, create jobs and develop business opportunities, especially in regional WA.

Tourism WA established a solid foundation in the Two-Year Action Plan, which has built the agency up for success and, to capitalise on opportunities in an increasingly competitive and dynamic global tourism market.

However, we cannot do it alone; taking a whole of government approach is vital to achieve the best possible results not only for the tourism sector, but also the State.

The 2019-20 State Budget announced earlier this year included more than \$100 million for Tourism WA, which reflects the important and successful role it has to play in growing jobs and diversifying the State's economy.

This budget also included an additional \$10 million over five years as part the State's aviation development fund, to promote WA as Australia's western gateway and help attract new routes. This builds on the State Government's success in securing direct flights from Tokyo and the opportunity to secure more.

Earlier this year the State Government committed a further \$12 million, aimed at attracting holiday visitors from key South East Asian markets and long haul destinations. The marketing efforts will include activities that have the greatest impact on driving visitors to book trips to WA.

These include partnering with airlines, overseas travel companies, online travel agencies and inbound tour operators on joint cooperative marketing campaigns; and entering partnerships with key Perth hotels for stopover programs. The additional funding will also be used to extend existing marketing campaign activity.



Elizabeth Quay, Perth

The budget also comprised funding for several cross-government projects across the State, which will help encourage visitors to explore different areas of WA. This includes \$10 million for more than 180km of mountain bike and bushwalking trails in the South West, \$1.33 million towards progressing the proposed Murujuga Living Knowledge Centre in the Pilbara, and \$16.2 million towards infrastructure works on Rottnest Island, in addition to \$17.2 million from the Commonwealth Government.

These exciting projects, together with our ongoing commitment to marketing the State, developing and attracting major events and supporting major projects to draw visitors to destinations will all make an important contribution to enticing more people to WA.

As we move forward into 2019-20 and beyond, our priority is putting the visitor first. Each division within Tourism WA has an important role in inspiring and converting visitors to travel to WA and ensure their experience is memorable.

In keeping with this mantra, our investment is weighted across intrastate, interstate and international markets, recognising that each segment is critical to the future of the State's visitor economy. The agency is working diligently in using digital technology and methods in reaching our visitors at the right time, with the right message.

I would like to thank Brodie Carr, Managing Director and the Executive team, all of the staff at Tourism WA and our colleagues across the industry for their passion and commitment to growing WA's tourism industry and their tireless contribution to improving the visitor economy. Tourism WA looks forward to working closely with the tourism and events industry, and government partners to strengthen and build on this year's success and momentum and continue our position in this competitive marketplace.

I look forward to continuing to work together with the Tourism WA Board and staff, partners and across government to build on our success so far.

Rebecca Brown
CHIEF EXECUTIVE OFFICER

September 19, 2019

1.2 OPERATIONAL STRUCTURE

Enabling Legislation

The Western Australian Tourism Commission (operating as Tourism Western Australia) was established under the *Western Australian Tourism Commission Act 1983* ('The Act').

This provides for the establishment of a governing board of up to 10 members appointed by the Governor, one of whom is appointed as Chairman. The Act provides the functions (Section 13) of the Commission and the necessary powers (Section 14) to undertake and fulfil those functions.

Tourism WA is part of the Department of Jobs, Tourism, Science and Innovation but maintains its operational autonomy owing to its position as a statutory authority.

Responsible Minister

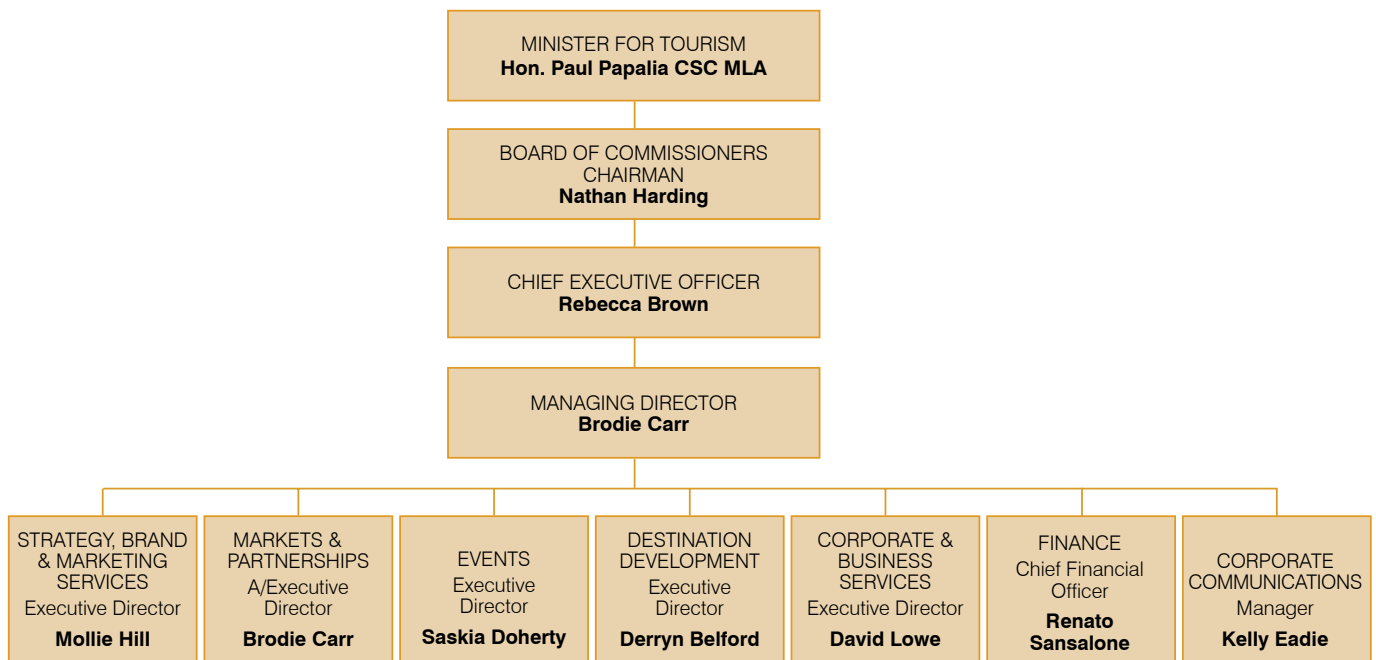
The Minister responsible for Tourism WA during 2018-19 was the Hon Paul Papalia CSC MLA.

Our Vision

The overall vision statement for both Tourism WA and for the Western Australian tourism industry is:

To make Western Australia the most desirable leisure and business events destination in Australia.

ORGANISATIONAL CHART



Other Key Legislation

Key legislation impacting on our operations includes:

- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Worker Compensation and Injury Management Act 1981*

WESTERN AUSTRALIA
offers **WORLD-QUALITY**
FOOD and **WINE**,
countless **NATURAL** EXPERIENCES,
ANCIENT ABORIGINAL culture
and **STUNNING**
landscapes



Board of Commissioners

Tourism WA is governed by a Board of Commissioners appointed under the *Western Australian Tourism Commission Act 1983* and can include up to 10 members. The Board is the Accountable Authority and responsible for the outcomes of Tourism WA; it sets the strategic direction of the agency and goals for management. The Board delegates day-to-day operations to the Chief Executive Officer, Managing Director and the Executive Management Team. During 2018-19, the Board was made up of the following members.

Nathan Harding – Chairman

Nathan Harding is Group Managing Director of Discover Australia Holidays, one of Australia's largest inbound travel wholesalers. Mr Harding has combined his technology, marketing and business skills to drive his family-owned company's success over the past 20 years. Discover Australia is a leader in digital marketing and distribution, develops its advanced travel technology in-house and incorporates the Discover West Holidays and HolidayMax brands. Mr Harding has served on the national Board of Directors of the peak industry body representing Australia's \$40 billion tourism sector, the Australian Tourism Export Council (ATEC), and is ATEC's immediate past national Deputy Chairman. Mr Harding has held Global Product Marketing roles at international hi-tech companies, including a major UK semiconductor manufacturer.

He has an Honours degree in Electronic Engineering from University College, Cardiff and post-graduate qualifications in Marketing along with postgraduate studies in Applied Finance and Investment.

Mr Harding's term commenced on July 1, 2012. He became Chairman on July 1, 2017.

Manny Papadoulis – Deputy Chairman

Manny Papadoulis is an experienced tourism operator and destination marketer who has spent most of his career in the tourism industry. He is the immediate past President of the Tourism Council WA, a position he held for six years, as well as Chairman of Australia's Coral Coast regional tourism organisation and Executive Director of boutique consulting firm Icon Tourism Consulting. Mr Papadoulis is known for being a passionate advocate, director, advisor, mentor and consultant in the Australian tourism industry for more than 30 years. As a leader in the hospitality and tourism industries, he is well connected throughout the tourism business worlds of Australia, Europe and South East Asia. Mr Papadoulis worked at CSR Sugar as a Marketing Executive before joining his family tourism business, Feature Tours, in 1985. Feature Tours (1973-2004) pioneered many successful tourism packages in Perth and regional WA, which are still being operated today. Mr Papadoulis has served as Deputy Chair of the Perth Convention Bureau, President of the Australian Tourism Export Council (WA), and the Bus and Coach Association of WA, and was a director of the WA Symphony Orchestra and the Hellenic Community of WA. He is also the author of the book 'Tourism Marketing Essentials', released in 2014.

Mr Papadoulis' term commenced on July 1, 2017.

Di Bain

Di Bain is a seasoned marketer and journalist with 20 years' experience in the communications industry. Following her career with the Australian Broadcasting Corporation, Di established her own successful marketing agency, Bain Media. Di developed marketing strategies and delivered cross-platform brand campaigns for high profile clients in government, property development, cyber security and tourism. Di is the Chair of Activate Perth which champions renewal and vibrancy in the City of Perth. As a keen supporter of the Arts, Di has been a Director of Perth's contemporary dance company Co3 and her business has earned producer credits for the Australian motion picture *Blue Dog* and the documentary film *Yagan*.

She is a graduate of the Western Australian Academy of Performing Arts and a Member of the Australian Institute of Company Directors. Di is also an aviator, holding fixed wing and helicopter pilot licences.

Ms Bain's term commenced on May 14, 2019.

Kevin Brown

Kevin Brown commenced in the role of Chief Executive Officer of Perth Airport in July 2016. Mr Brown has been involved in operational and commercial roles in both hub and regional airports for more than 15 years in the UK and Australia. Prior to joining Perth Airport, he held the position of Chief Executive Officer of North Queensland Airports, which operates Cairns and Mackay airports, where he was responsible for implementing growth strategies. Mr Brown also spent nine years with the British Airport Authority, and was Managing Director at Edinburgh International Airport. He is also a Council Member for the Chamber of Commerce and Industry Western Australia and Freight and Logistics Council of WA.

A graduate of the Australian Institute of Company Directors, he also has an Honours degree in Electrical & Electronic Engineering, an MBA and Masters degree in eBusiness.

Mr Brown's term commenced on July 1, 2017.

Valerie Davies

Valerie Davies is a company director with more than two decades' experience across public, private and government entities. She is also a coach and advisor providing issues management and strategic communications advice. Ms Davies is a former winner of Telstra Business Woman of the Year for WA and a past vice-president of the Australian Institute of Company Directors WA Division. Currently, she serves on the Board of Event Hospitality and Entertainment Limited (one of Australia's premier entertainment technology, hospitality, tourism and leisure companies), and Cedar Woods Properties Limited. Past non-executive directorships include HBF, Tourism Australia, Screenwest, Iluka Resources Limited, Integrated Group Limited, Gold Corporation, Amcon Solutions Group, Relationships Australia, Youth Focus and Fremantle Hospital and Health Service. Aside from her board work, Ms Davies' career spans more than 30 years across a spectrum of industries including media, marketing and television production.

Ms Davies' term commenced on July 1, 2013.

Kia Dowell

Kia is a Gija woman from Warmun Community (Turkey Creek) in the East Kimberley of WA. Her traditional Aboriginal name is Wadjbarreyal and her skin name is Nangala.

Combining her love for economic development, her culture and sustainable practices over the past 15 years, Kia's focus has been on leveraging corporate, philanthropic, NGO and government sectors to deliver outcomes that support Aboriginal people, communities and organisations in achieving their aspirations.

As an MBA graduate of the University of Texas at El Paso and alumni of the Harvard Kennedy School of Business, Kia looks for opportunities that challenge the status quo and deliver new ways of thinking about challenges. Her experiences in Australia and the US as a professional athlete, a Senior Advisor implementing Native Title Agreements in the East Kimberley and Pilbara regions of WA, a participant in the W20 Asia Pacific regional consultation group, a member of the Wiji Yani U Thangani Advisory Committee for the Australian Human Rights Commission and as Chairperson of Gelganyem Limited are examples of the breadth of knowledge she brings with her.

Kia's work continues in her current role for the Commonwealth Government with a focus on Indigenous economic development where she designs and implements strategies that improve the systems and policies that facilitate economic independence with Aboriginal and Torres Strait Islander people. Her most recent and ambitious role is becoming a mum to her daughter Lila.

Ms Dowell's term began on April 1, 2018.

Tracey Horton

Tracey Horton AO is the Chairman for Navitas Limited, Non-Executive Director of the Australian Institute of Company Directors National Board and the GPT Group, a Member of the Australian Government Takeovers Panel, ASIC's Director Advisory Panel and the Council of International Education. Ms Horton's previous executive roles include the Reserve Bank of Australia and Bain & Company, with her most recent executive role as Dean of the University of Western Australia's Business School, where she was awarded the lifetime title of Emeritus Professor. Ms Horton's past directorships include publicly listed companies SKILLED Group and Automotive Holdings Group; not-for-profit organisations Australian Chamber of Commerce and Industry, Fashion Council WA and Edge Employment Solutions; State and Federal Government organisations Australian Treasury Advisory Council (Canberra), Western Australian Museum and WA Museum Foundation, and Water Corporation; and private companies Cullen Wines and D'Orsogna Ltd. Ms Horton was recognised for distinguished service to business and business education, and appointed an Officer of the Order of Australia in 2017.

Ms Horton's term commenced on November 1, 2015.

Karen Priest

Karen Priest is the Principal of Smart Tourism, a boutique marketing consultancy which provides strategic solutions, training and advice to the tourism industry. Ms Priest has over 30 years' experience in tourism, hospitality and recruitment, having held a number of diverse senior management roles in

marketing, business development and communications in WA, New Zealand, South Africa and the United Kingdom. Born in England and raised in Africa, she has gained significant experience working for various regional, state and national destination marketing agencies, including Tourism Australia, Tourism WA, New Caledonia Tourism, Australia's South West and Mandurah and Peel Tourism Organisation. She has also worked in private enterprise in hotel management roles, the wine industry and the caravan and camping sector. Karen is the recipient of the 2012 Australian Hotels Association (Western Australia) Executive Level Manager Award. She has previously served on various boards and committees including the Perth Convention Bureau, the WA Branch of the Australian Tourism Export Council, Fremantle Chamber of Commerce and Friends of the Bibbulmun Track. She sat on the marketing advisory panel for Tourism WA and has served as a Board Director of the Tourism Council WA, WA's peak tourism industry body, for four years. Karen has an extensive network of contacts within tourism, media and the public and private sectors in Australia and overseas.

Ms Priest's term commenced on July 1, 2017.

Linda Wayman

Linda Wayman is the Principal of Wayman Advisory which advises business and government agencies on strategic communications and marketing with a focus on reputation and brand building and management. Ms Wayman is on the Boards of VenuesWest and Carers WA (Chair). Ms Wayman's executive career has encompassed media and marketing, corporate communications, government and tourism. Most recently she led the Perth division of Southern Cross Austereo, Australia's largest broadcaster where she oversaw the successful radio stations mix94.5 and hit92.9 and their digital assets. Ms Wayman was previously General Manager of Eventscorp, part of the Western Australian Tourism Commission and the WA Government's agency which attracted and managed major events for the State. She has also held senior executive roles with the Victorian Government in corporate communications, marketing and public affairs and her media career has spanned newspapers, magazines and radio. Ms Wayman has had extensive experience and success in the commercialisation of digital disruption and transformational change of organisations, and in leading and driving a business in a competitive and changing landscape. In her diverse roles in both government and business, she has built high performance teams and fostered cultures of creativity and collaboration. As recognition of her business and leadership achievements, Ms Wayman has been awarded the WA Telstra Business Woman of the Year, inducted into the WA Women's Hall of Fame and was Advertiser of the Year in 2012.

She is a graduate of the Institute of Company Directors and holds a Masters degree in Communications.

In the past, she has been on the Boards of the Committee for Perth, the State Library Foundation (chair) and Football West.

Ms Wayman's term commenced on July 1, 2017.



Quokkas, Rottnest Island

Tourism WA Board Meetings and Attendance

In 2018-19 seven Board meetings were scheduled. Attendance was as follows:

	Meetings attended	Meetings eligible to attend
Nathan Harding	7	7
Manny Papadoulis	7	7
Di Bain	1	1*
Kevin Brown	6	7
Valerie Davies	5	7
Kia Dowell	5	7
Tracey Horton	7	7
Karen Priest	7	7
Ian Thubron	5	6**
Linda Wayman	7	7

* appointed May 14, 2019

** term completed May 1, 2019

Declarations of Interest

The Board has a standing declaration of interest process included in the Board Charter. A standing agenda item at all meetings provides for the declaration and management of any potential conflicts of interest and a Board Members' Interest Register is maintained on an ongoing basis.

Independent External Advice

Individual Board members have the right to seek independent professional advice on particular matters before the Board, subject to approval by the Chairman, at Tourism WA's expense.

Committees

To assist the Board in achieving the highest standards of corporate governance, Board members closely involve themselves with critical areas of Tourism WA's activities through four Board committees:

- The **Strategic Marketing Committee** provides high-level strategic advice on Tourism WA's marketing activities in domestic and international markets, and monitors the success of its activities.
- The **Destination Development Committee** provides input, advice and advocacy on strategies, policies and initiatives that drive significant tourism infrastructure development.
- The **Events Committee** guides the strategy to ensure a world-class, annual major events calendar for the State featuring unique home-grown events, as well as cultural, arts and sporting events.
- The **Audit and Risk Committee** assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and Tourism WA's process for monitoring compliance with laws and regulations.



Vlaming Lighthouse, Exmouth

Executive Management Team

As at June 30, 2019, the Chief Executive Officer, Managing Director, four Executive Directors, Chief Financial Officer, Manager Corporate Communications and Executive Services Manager made up the Executive Management Team.

Tourism WA is a State Government statutory authority and part of the broader economic development portfolio of Jobs, Tourism, Science and Innovation. The department became the employing authority of Tourism WA's employees on July 1, 2017.

Rebecca Brown (Chief Executive Officer)

The Chief Executive Officer (concurrently appointed as the Director General of the Department of Jobs, Tourism, Science and Innovation) plays a key role in helping to increase the contribution of tourism to WA's economy. The CEO provides strategic leadership to the development and implementation of the State's strategy and action plans for tourism and works closely with a range of public and private sector stakeholders to ensure growth of the industry.

Rebecca has worked for both Federal and State government agencies in revenue and economic policy, social policy, resourcing and performance. She oversaw the reform of the WA Health system, including the establishment of a new governance model and the development of the Health Services Act 2016. She has held senior positions at WA Treasury and the Department of the Premier and Cabinet.

Ms Brown joined the department, and Tourism WA, in September 2018.

Brodie Carr (Managing Director)

The Managing Director is responsible for the day-to-day operations of Tourism WA. Brodie is also acting Executive Director, Markets and Partnerships.

Prior to this role he was the Director of Front Foot Agency, a brand consultancy he co-founded, which is located in France and Sydney. Mr Carr is also the former CEO of the Association of Surfing Professionals. His other roles have included General Manager, Basketball Australia and Business Manager, Sydney Olympic Games.

Mr Carr joined Tourism WA in October 2018.

Saskia Doherty (Executive Director – Events)

The Events Division develops, sponsors, markets and promotes a diverse calendar of sporting, cultural, arts and culinary events that showcase Western Australia.

Saskia has worked on significant projects including Margaret River Gourmet Escape, NRL State of Origin, Bledisloe Cup, ATP Cup, Fed Cup, the Margaret River Pro, Commonwealth Heads of Government Meeting (CHOGM) and international sporting fixtures including cricket, and soccer.

Ms Doherty joined Tourism WA in November 2009.

Mollie Hill (Executive Director - Strategy, Brand and Marketing Services)

The Strategy, Brand and Marketing Services Division has stewardship of destination marketing, including tourism branding for Western Australia, National Visitor Survey and International Visitor Survey reporting, research into consumer beliefs and behaviours, destination perceptions and consideration, and competitor positioning, and oversees the development of marketing strategy, campaigns and materials.

Mollie has worked in a variety of creative agencies in Australia, Singapore and Brazil.

Ms Hill joined Tourism WA in February 2019.

Derryn Belford (Executive Director - Destination Development)

The Destination Development Division works across government and industry to support improved access, accommodation and tourism experiences that draw visitors to particular destinations.

Derryn worked in Perth and London prior to Tourism WA, and has held several roles in the agency, including Manager Research, and Director Strategy and Policy. Derryn has been Executive Director Destination Development since 2013.

Ms Belford joined Tourism WA in 2008.

David Lowe (Executive Director - Corporate and Business Services)

The Corporate and Business Services Division supports the agency by providing financial services, risk management, human resources management, information management, ICT and procurement/contract services.

David has worked in the WA Public Sector for more than 30 years. His career spans roles at Water Corporation, Family and Children's Services, MetroBus and the Public Service Commission.

Mr Lowe joined Tourism WA in 2001.

Carroll Selwood (Manager - Executive Services)

The Executive Services team provides support to the Board and Chief Executive Officer. It is also responsible for Ministerial liaison and stakeholder engagement.

Carroll began her career working for a WA tour operator and has more than 26 years' experience in the tourism industry. For the past 17 years, she has operated in managerial roles and delivered several important projects including Tourism WA's transition out of the Office of Shared Services as part of its decommissioning process. Carroll has also worked for Westpac and the Department of Finance.

Ms Selwood joined Tourism WA in 1990.

Kelly Eadie (Manager - Corporate Communications)

Corporate Communications promotes Tourism WA's initiatives and programs to industry and other stakeholders. It is responsible for issues management, media liaison and all external communications for Tourism WA.

Kelly has 25 years' experience as a journalist and a government communications professional. She has worked for various media organisations in Perth, Victoria and the UK.

Ms Eadie joined Tourism WA in December 2010.

Renato Sansalone (Chief Financial Officer)

The Finance team is responsible for the financial management of Tourism WA and ensures the agency's compliance with financial matters.

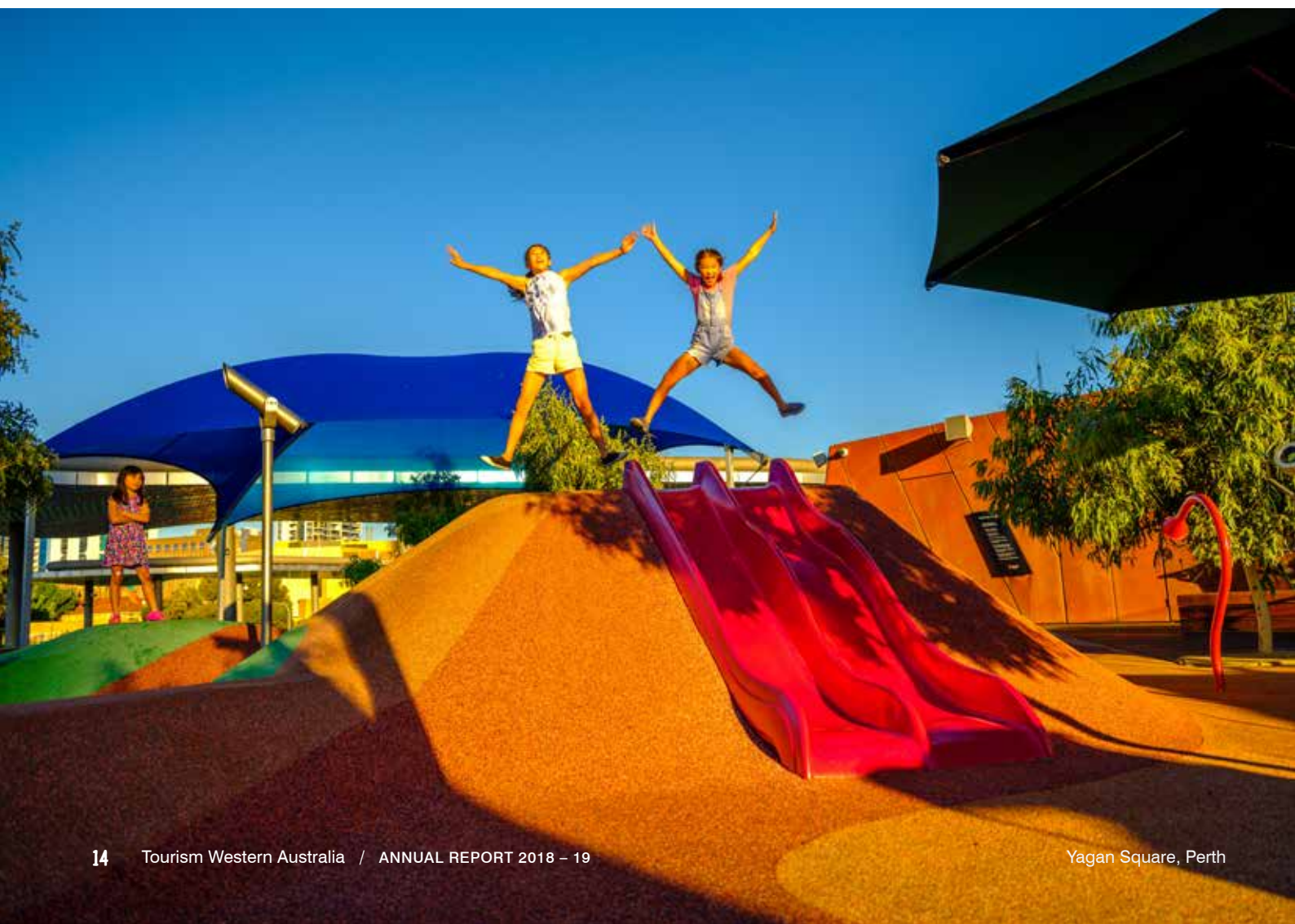
Renato has more than 20 years' experience working in finance-related positions within the WA Public Sector. Previous agencies include the Department of Culture and the Arts, where he held Chief Financial Officer roles at the Art Gallery of WA and the WA Museum, the Department for Planning and Infrastructure, and the Department of Racing, Gaming and Liquor.

Mr Sansalone joined Tourism WA in 2012.

Changes to the Executive Management Team

The following changes were made to Tourism WA's Executive Management Team during 2018-19:

- **Rebecca Brown** was appointed Chief Executive Officer of Tourism WA in September 2018
- **Brodie Carr** was appointed to the Managing Director role in October 2018 and also took on the role of Acting Executive Director, Markets and Partnerships
- **Louise Scott** resigned from the position of Executive Director, Strategy, Brand and Marketing Services in January 2019.
- **Mollie Hill** was appointed Executive Director, Strategy, Brand and Marketing Services in February 2019.





Cable Beach, Broome

1.3 PERFORMANCE MANAGEMENT FRAMEWORK

1.3.1 Outcome-Based Management Framework

There are five government goals that guide the development of policies, programs and services within WA government agencies. Given the variety and diversity of public agencies in WA, not all government goals are equally applicable to all agencies.

The Government goal that is supported by Tourism WA is: “Future Jobs and Skills: Grow and diversity the economy, create jobs, and support skills development.”

This alignment clearly articulates the relationship between the functions and responsibilities of Tourism WA and its strategic plan, as well as overall government goals. The desired outcome recognises the value of tourism is more than economic and that the agency is charged with ensuring the WA tourism industry is competitive and sustainable over the long term.

Government goal:

Financial and economic responsibility	Desired outcome	Services
Responsibly managing the State’s finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.	Increased competitiveness and viability of the Western Australian tourism industry.	1. Destination marketing 2. Event tourism 3. Destination development

The government goals are supported by the State Government’s ‘Our Priorities’ document, which sets whole-of-government targets to deliver outcomes for the State.

1.3.3 Changes to Outcome-Based Management Framework

Tourism WA’s outcome-based management framework did not change for 2018-19.

1.3.4 Shared Responsibilities with Other Agencies

Tourism WA does not share any statutory responsibilities with other agencies.

Tourism WA works closely with a range of Australian and State government agencies to achieve cross-government coordination of tourism initiatives. Some of these agencies include: Austrade; Tourism Australia; Indigenous Business Australia; Department of the Premier and Cabinet; Department of Primary Industries and Regional Development; Department of Transport; Department of Planning, Lands and Heritage; Department of Biodiversity, Conservation and Attractions; LandCorp; Metropolitan Redevelopment Authority; Main Roads WA; Department of Local Government, Sport and Cultural Industries; Public Transport Authority; VenuesWest; Small Business Development Corporation; Rottnest Island Authority and Regional Development Commissions.

Tourism WA participates in the following ways:

- A member of a number of Regional Development Commission-led committees for the development of

regional tourism strategies, such as the Gascoyne, Mid-West and Pilbara.

- Participated in a number of cross-government working groups investigating a range of destination and product experience development projects including:
- Board memberships: Swan Bells Foundation (Minister for Tourism representative), National Trust WA (Tourism WA’s appointed councillor).
- Advisory/Steering Committees: Albany Bicentenary Committee, National Anzac Centre, Perth Convention and Exhibition Centre Master Plan, State Cycling Strategy.
- Working Groups: Pickering Brook and Surrounds Sustainability and Tourism Strategy, Victoria Quay Steering Group, Perth Water Precinct Vision, Minninup Pool Tourism Precinct, Swan Valley, Murujuga Living Knowledge Centre, Broome Cultural Centre, Dampier Peninsula State Steering Group, Trails Reference



Margaret River Region

Group & Iconic Trails subcommittee, Dwellingup Trails Hub, Collie Trails Hub, Exmouth Wharf investigation, Kimberley Cultural Centre, Abrolhos Islands Working Group and The Dwellingup Trails Hub and Collie Trails Hub.

- Hosts (and is the secretariat to) the Cruise WA Committee – a cross-industry and government committee directing the implementation of the WA Cruise Shipping Strategic Plan.
- Lead agency for the Camping with Custodians program, which during the planning and land assembly of campgrounds involved working with a range of State and Local government planning, regulatory and service provision agencies.
- Lead agency in developing the State's Aboriginal Tourism Action Plan – working with a range of

agencies including the Department of the Premier and Cabinet, Department of Biodiversity, Conservation and Attractions; Department of Training and Workforce Development; Department of Local Government, Sport and Cultural Industries; Department of Primary Industries and Regional Development; as well as Australian government agencies and the WA Indigenous Tourism Operators Council.

- Chairs the City Activation Working Group which includes the Metropolitan Development Authority (MRA), Australian Hotels Association (WA), the City of Perth and Activate Perth. The working group's role is to ensure the city is activated during major events.
- Recognises and participates where possible in whole-of-government initiatives, including the building and sharing of the capacity and capability of the WA Public Sector workforce.

1.3.5 Two-Year Action Plan for Tourism Western Australia – 2018 and 2019

The 2017-18 State Budget commitment to tourism of \$425 million over five years provided funding certainty and allowed Tourism WA to strategically plan marketing activity and event attraction.

Tourism WA considered this new funding certainty, along with current market conditions, an ideal opportunity to develop a Two-Year Action Plan to maximise tourism growth and create jobs. The plan capitalises on the remarkable and ongoing transformation of Perth, including new and more affordable hotels and new infrastructure and developments such as Optus Stadium and the direct London-Perth Qantas route.

The Two-Year Action Plan was released in March 2018 following extensive consultation with key industry partners. The main aim is to grow the number of visitors to the State over the two years.

The plan focuses on four key areas: drive visitation, including positioning the State as Australia's western gateway; change the perceptions of Perth and reignite the east coast market; attract more people, more often to regional WA; and intensify

promotional activity in target markets to encourage travel. The plan and its implementation are clearly working.

Of those visitors, 440,000 came to the State for a holiday; an increase of 11.4 per cent on last year. Their spending shot up by nearly 33 per cent to \$739 million, a growth rate that has outstripped all other States and Territories.

The survey also showed growing numbers of Western Australians are holidaying at home, with intrastate holiday trips increasing by 16.3 per cent to 3.6 million and corresponding spend up 21.7 per cent to \$2.2 billion.

Tourism WA has begun work on developing a long-term strategy for tourism beyond 2020, which will be completed in 2020. Initiatives and achievements from the Two-Year Action Plan are outlined overleaf; in the Report on Operations.

A tall, thin, dark metal sculpture of a human figure stands in a vast, flat, brown desert landscape. In the background, a low, rocky hill with sparse vegetation rises against a clear blue sky with wispy clouds. The overall scene is arid and open.

ATTRACTING
more PEOPLE,
more OFTEN
to REGIONAL
WESTERN AUSTRALIA



Hamelin Bay, near Augusta

2.0 AGENCY PERFORMANCE

2.1 REPORT ON OPERATIONS

Tourism WA is responsible for promoting WA as an extraordinary holiday and event destination. The key objective of the agency is to build WA into a highly desirable destination by delivering strong and sustainable growth across key markets.

The agency does this by marketing the State; developing, attracting and promoting major sporting, arts, cultural and business events; and supporting major projects that will draw visitors to particular destinations. The agency has three service areas to help deliver this work – Destination Marketing, Event Tourism and Destination Development.

As well as the work the agency performs, Tourism WA provided \$11.354 million in 2018-19 to partner organisations to attract business events, conduct intrastate marketing, promote Aboriginal tourism and deliver visitor servicing at the WA Visitor Centre.

Tourism WA also supported tourism product capability, competitiveness and sustainability through grants and service agreements worth \$1.88 million to councils, shires, other government agencies and the Tourism Council WA.

DESTINATION MARKETING

Tourism WA's Destination Marketing divisions role is to develop the State's tourism brand, build awareness and consideration of WA as a destination, and increase the conversion of visitors to the State.

The division's' role is to convince people that a holiday in WA will give them a unique experience that they won't find anywhere else in the world.

There have been a number of significant achievements and initiatives this year, including a record-breaking number of holiday visitors to the State.

Holiday Segment:

The number of interstate and international holiday makers had great growth in the past year. 440,000 came to the State for a holiday; an increase of 11.4 per cent on last year. Their spending shot up by nearly 33 per cent to \$739 million, a growth rate that has outstripped all other States and Territories.

Tourism Research Australia data also revealed that 493,100 international visitors travelled to WA for a holiday - an increase of 9.3 per cent compared to the previous year. This is the highest ever number of international holiday visitors to WA and the strongest year-on-year growth rate of all Australian States and Territories. Holiday visitor spend also reached a record high for the year ending March 2019, growing 14.8 per cent from the previous year to \$801 million.



Kalbarri National Park

Estimated Holiday Visitors and Spend in WA, YE March 2019

	VISITORS	VISITOR CHANGE	SPEND (\$M)	SPEND CHANGE
International	493,000	+9.3%	801	+14.9%
Interstate	440,200	+11.6%	739	+32.9%
Intrastate	3,585,000	+16.3%	2,224	+21.7%
Intrastate Daytrip	10,895,800	+17.0%	1,245	+20.4%

Source: Tourism Research Australia, International and National Visitor Surveys

Funding boost of \$12 million for international marketing:

As mentioned in the Chairman’s message, the State Government committed an extra \$12 million towards international marketing efforts. These will include partnerships with airlines, overseas travel companies, online travel agencies and inbound tour operators in joint cooperative marketing campaigns. An initial amount of \$3 million was activated in 2018-19, with campaigns undertaken in the key short-haul markets of Singapore, Malaysia and Hong Kong.

Road Trips campaign:

A new global tourism campaign was launched in October 2018 to promote driving holidays in WA. The campaign highlighted how WA’s size provided the opportunity to experience a variety of destinations as part of a road trip. The campaign was initially launched domestically and extended internationally during 2018-19 to nine markets – Singapore, Malaysia, China, Germany, the United Kingdom, Hong Kong, Japan, New Zealand and Indonesia.

MasterChef Australia:

The popular television show filmed a week of episodes in WA at a range of locations, including Optus Stadium, the Swan Valley, Margaret River and Rottnest Island as part of a partnership with Tourism WA, with production kicking off in

April 2019. To coincide with the screening of the episodes in July 2019, Tourism WA organised campaigns with Jetstar and Helloworld Travel to promote WA holiday packages to east coast visitors.

China strategy:

An extra \$1 million was allocated for cooperative and tactical campaigns to build awareness of WA in Shanghai. The number of Chinese visitors coming to WA grew by 12.4 per cent in the year ending March 2019. The new strategy will look to build on this growth by driving business and incentive travel, and promoting products through existing key distribution partners.

Interstate strategy:

WA’s natural attractions and vibrant festival season were key elements of an eastern states advertising campaign that aimed to showcase Perth as the ideal summer destination to Melbourne and Sydney audiences. The campaign’s message was “Summer is the Greatest Show in Perth” and it promoted the city’s weather, beaches, attractions, nightlife and seasonal events such as the Fringe World Festival and the Perth Festival among reasons to visit. The key messages of the campaign were built on with the Feb Fever campaign, which promoted the 10-day cross over of the two festivals.



Monkey Mia

The campaign successfully aided in filling Perth hotel rooms over the traditionally quieter period of January and February, with special offers via Expedia.

Regional strategy:

Margaret River, Ningaloo Reef and Australia's North West (with a focus on Broome and the East Kimberley) were all promoted in individual campaigns delivered to the East Coast of Australia in 2018-19. The campaigns used inspiring content to directly address the travel barriers of time, distance and cost. All of these regional campaigns incorporated compelling holiday offers to entice consumers to take action and book a trip to WA. Partnerships with airlines and package holiday partners were successful in converting new visitation and supporting shoulder seasons.

Australian Tourism Exchange (ATE) 2019:

More than 2,200 delegates travelled to WA for ATE which was organised by Tourism Australia and co-hosted by Tourism WA. Approximately 1,500 sellers from more than 550 companies were in Perth and delivered around \$9 million to the State's economy and approximately 80 WA tourism operators took part in the event. WA's tourism product was experienced first-hand through an extensive familiarisation program of 96 tours to destinations such as Kununurra, Albany, Exmouth, Kalgoorlie, Geraldton, Margaret River, Perth city and Rottnest Island.

2018 Qantas Australian Tourism Awards:

WA struck gold in a record-breaking medal haul at the 2018 Qantas Australian Tourism Awards held in March this year, winning eight gold medals - equalling the previous year's gold medal tally - two silver and six bronze. The medal tally of 16 was WA's biggest haul since the award's inception in 1985.

The winners were:

- Horizontal Falls Seaplane Adventures (Tourist Attractions)
- The Beach House at Bayside (Hosted Accommodation)
- Go Cultural Aboriginal Tours and Experiences (Qantas Award for Aboriginal and Torres Strait Islander Tourism)
- Swan Valley Visitor Centre (Visitor Information Services)
- Kimberley Quest (Tour and Transport Operators)
- Horizontal Falls Seaplane Adventures (Adventure Tourism)
- Horizontal Falls Seaplane Adventures - The Horizontal Hotel (Unique Accommodation)
- Two Feet & a Heartbeat (Excellence in Food Tourism).

While the division experiences great success with its marketing program, the agency faces challenges.

Destination marketing is fiercely competitive on a global level and Tourism WA competes with other States and holiday destinations to gain consumers' attention. Combined with this is the rapid development of digital technology and platforms, and how this impacts consumer behaviour in relation to travel.

To address this Tourism WA began a review of its brand and marketing strategy to ensure it was appealing to local, national and international audiences. "WA Tourism – Our Story" is the first step in the development of a new brand strategy and this will define WA's point of difference as a tourism destination in the future. Workshops have taken place with a wide variety of stakeholders, including industry and visitors. Tourism WA will share the narrative and new brand idea with industry in 2020. Once finalised this will then drive all marketing activity.



CHECK OUT THE
 ← NEW FRIDGE
 BUILD YOUR OWN
 GRAZING BOARD

of twelve
 rose, lexi, chenin blanc
 or verdello
\$180
 save \$75

first case **\$99**
 3x chenin blanc
 3x white
 3x se
 ger

preserves & crackers
 wine by the
 10
 t-shirts
 hats

reser
 bernel
 iraz **\$69**
\$159
 save \$48
\$275
 save \$179
\$468
 save \$300

verdel
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 cabern
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Optus Stadium

EVENT TOURISM

Tourism WA's Events division develops, sponsors and promotes a diverse range of sporting, arts, cultural and culinary events that highlight everything WA has to offer as a destination.

The division actively bids for major international events, which will attract significant numbers of international and interstate visitors, have a positive economic impact for WA and showcase the State.

WA's event hosting capabilities have dramatically changed in recent years, with additional hotel rooms, Optus Stadium and RAC Arena providing the State with more opportunities to host significant major events.

Optus Stadium has given Western Australia the ability to secure and host large major sporting events. The stadium has also given Tourism WA the ability to market AFL matches like never before. While Tourism WA doesn't provide sponsorship for matches, it develops a strong marketing campaign to promote travel to WA for various matches during the season.

The division has had some fantastic successes during the year including:

Securing Manchester United: The Perth visit of one of the world's greatest sporting teams was secured in November 2018 through the McGowan Government's \$425 million commitment to Tourism WA's events and marketing strategies. Manchester United spent 10 days in Perth in July, playing games against Perth Glory and the visiting Leeds United side. The games attracted international, interstate and regional visitors, and provided a mid-winter bonanza for hotels, restaurants and tourism operators across WA. The club held an open training session at the WACA Ground, a legends dinner at Optus Stadium and a legends corporate golf day. The Manchester United Foundation and Telethon Kids also partnered to give an opportunity for disadvantaged WA children to play football

at their local community clubs. Results from this event will be released in 2019 when available.

Chelsea Football Club soccer match: In July 2018 English Premier League powerhouse Chelsea Football Club played a friendly match against Perth Glory that attracted 55,522 spectators.

State of Origin Rugby League: Optus Stadium hosted the second match in the NRL State of Origin series between the NSW Blues and the Queensland Maroons. It was the first time a match of the series was played in WA, with thousands of fans travelling across the country to watch the game.

Western Australia Gourmet Escape: In August 2018, it was announced that WA's premier culinary event would expand to run across three locations – Margaret River, Perth and the Swan Valley – for 10 days in November 2019. The annual, globally-promoted event will encourage maximum visitation to WA by chefs, restaurateurs and businesses in the hospitality industry- as well as food-loving visitors to the State. The Western Australia Gourmet Escape has been secured until 2021 and it is hoped it will become the best food and wine event in the world. The seventh annual Margaret River Gourmet Escape in November 2018 attracted more than 50 of the world's leading food and wine personalities, including Nigella Lawson. The total number of visitors to the South West for the event increased slightly to 9,627 (from 9,278 in 2017) but visitor spend was down from \$10.1 million in 2017 to \$9.5 million. The number of people visiting from outside WA for the event rose to 2,045 from 1,406 in 2017.

Supporting
WORLD-CLASS
EVENTS to GROW
visitor NUMBERS



2018 AFL season: AFL tourism attracted 29,179 interstate visitors who specifically travelled to WA for a match at Optus Stadium and spent about \$31 million while they were here. Another 34,665 visitors from regional WA spent more than \$32 million. Of the 29,179 interstate visitors, 22,886 travelled during the regular season and 6,293 during the AFL finals. In 2019, a strong marketing campaign in the Eastern States, which involved commentator Dennis Cometti, helped promote travel packages to AFL games in Perth. This campaign involved print, television and digital advertising. Tourism WA also worked with travel groups including AFL partner, Virgin Australia, and Optus Stadium operator, VenuesLive to develop promotional packages that included return airfares, accommodation and tickets to games, with a choice of options for add-on tours and trips to other regions of WA.

Field of Light: Avenue of Honour in Albany was an immersive art installation by internationally-acclaimed British artist Bruce Munro illuminating 16,000 spheres along the Avenue of Honour at Mt Clarence in Albany between October 2018 and April 2019. The event commemorated the 100th anniversary of the end of the First World War and paid homage to the Anzacs who departed from Albany. A total of 186,000 attendees experienced the installation with over 29,000 people travelling to Australia's South West specifically for the event, injecting over \$17 million dollars to the region.

ATP Cup (Tennis): The division secured this event to be held in January 2020. Announced in March 2019, Perth along with Sydney and Brisbane will host some of the world's best male tennis players as part of a new AUD \$22 million competition which is set to attract more than 100 of the world's best players. Perth has secured the event for the next six years.

Fed Cup (Tennis): Perth won the right to host the Fed Cup final between Australia and France in November 2019. The Australian team will be captained by WA's Alicia Molik and will feature French Open champion Ashleigh Barty. It will be the first time Perth has hosted the final since 1971.

Hopman Cup (Tennis): The 2019 Hopman Cup held in January, proved to be one of the most successful in the event's 30-year history, culminating in a match involving two of the greatest tennis players of the modern era – Roger Federer and Serena Williams. Their mixed doubles match attracted media attention around the world. The Hopman Cup generated more than 16,500 visitor nights and \$4 million in visitor expenditure from out-of-state visitors. It also generated 963 hours of television broadcast in WA's key tourism markets, valued at \$58.9 million with more than half (51 per cent) coming from international markets. The 2019 Hopman Cup was the last staging of the event in WA.

2020 ICC T20 World Cup: Tourism WA successfully bid to host the International Cricket Council (ICC) T20 World Cup in 2020. Eleven men's and women's matches will be played in Perth, which are expected to attract 30,000 visitors to the State. The West Australian Cricket Association Ground will host the Women's competition in February 2020 and Optus Stadium will host the Men's competition in October 2020.

Securing Margaret River Pro for another two years: The Margaret River Pro retained its Championship Tour status following a deal between the World Surf League and the WA Government. The deal secured the event on the tour until at least 2021, with a further option for extension. Tourism WA has been a proud sponsor of the Margaret River Pro for more than 30 years. The 12-day May event this year was watched by millions of people around the world, attracting the world's top 34 professional men and top 17 professional women surfers, including overall winners John John Florence and Lakey Peterson, both from the USA.

Mass participation events: Tourism WA supported a number of mass participation events in 2018-19, which attracted more than 10,400 visitors from outside the State, generating 86,267 visitor nights and contributing more than \$21 million to the economy in visitor spend. These events were the Australian National Polocrosse Championships, the Australian Police and Emergency Services Games, Ironman Western Australia, the Australian Women's Masters Hockey Championships, the Busselton Festival of Triathlon and the Australian Masters Rowing Championships. Supporting mass participation events is a key priority of the Two-Year Action Plan because they help attract thousands

An **EXCITING DESTINATION**
to **VISIT** and
a **GREAT PLACE** to
LIVE by **SHOWCASING**
a region's **UNIQUE**
and **DIVERSE ATTRACTIONS**





of competitors, officials and supporters, providing a significant boost to the economy.

While the division has had some great results this year there are ongoing challenges.

The major events market is highly competitive with other destinations bidding for the same opportunities. WA is often competing with destinations that have larger infrastructure and greater capacity to deliver visitors due to their sheer population sizes, proximity to key markets and established venues. The other key challenge is that events are often locked in several years in advance.

To address these challenges the agency's events strategy was revised by the Board and identified four core areas – mass participation events, AFL tourism, leveraging new infrastructure and developing a home-grown event.

The benefits of developing home-grown events is that; they can be scheduled into the existing events calendar or shoulder seasons when tourism businesses aren't traditionally busy; they can't be relocated or poached by other States and they can play an effective role in supporting a brand position. Once established they can attract a significant number of visitors.

The division has made good progress on developing this event, including consultation with the events industry and arts and cultural organisations. It is expected that more details can be announced in late 2019.

REGIONAL EVENTS SUPPORT

Tourism WA's Regional Events Program (REP) and Regional Events Scheme (RES) are funded by Royalties for Regions and provide support to regional events across the State. The REP supports medium to large regional events with funding allocations of more than \$40,000 per event, while the RES is an annual funding round of between \$5,000 and \$40,000 for smaller, developing events.

Both play an important role in positioning Western Australia as an exciting destination to visit and a great place to live by showcasing a region's unique and diverse attractions.

In 2018-19 the REP supported 19 events, while the RES had a total available funding pool of \$1 million which supported 64 events. The RES included nine events which shared in the \$150,000 funding pool allocated to the Regional Aboriginal Events Scheme (RAES). The RAES supports events that deliver Aboriginal activities and experiences through the leadership and participation of Aboriginal people.

The REP events supported in the last financial year are:

- Margaret River Gourmet Escape
- Cape to Cape MTB
- Taste Great Southern
- Lancelin Ocean Classic
- Ord Valley Muster
- Margaret River Pro
- CinefestOZ
- Shinju Matsuri
- Channel Seven Mandurah Crab Fest
- Truffle Kerfuffle
- Gamex
- Tour of Margaret River
- Margaret River Readers and Writers Festival
- Augusta Adventure Fest
- Australian Police and Emergency Services Games
- Busselton Festival of Triathlon
- Field of Light
- Ironman WA
- Australian Women's Masters Hockey Championships

BUSINESS EVENTS

Tourism WA continued its partnership with the Perth Convention Bureau to bring business and incentive events to WA in 2018-19. The Perth Convention Bureau secured 111 conferences and 153 corporate meeting and incentive events for the year. This represents 286,913 delegate days, generating an estimated direct delegate expenditure of \$153 million.



Mimbi Caves with Girloorloo Tours

DESTINATION DEVELOPMENT

Tourism WA's Destination Development division works across government and industry to support improved access to and around WA, and tourism experiences and attractions that draw visitors to particular destinations. The strategy is to fill new hotels by helping to make access easier and, once people are here, getting them to stay longer by ensuring there is a wide selection of things for them to do and see during their stay. The addition of 3,456 hotel rooms to the Perth hotel market since 2012 has meant a change of focus for Tourism WA's Destination Development division. The focus in 2018-19 was on aviation, Aboriginal tourism, cruising, and the development of tourism attractions and experiences.

The division delivered some significant achievements this year.

AVIATION

\$30 million airline attraction fund: The WA Government announced a \$30 million partnership between Tourism WA, Perth Airport and Tourism Australia to attract new airline routes into Perth and grow its reputation as Australia's western gateway. Known as 'Team Perth', the group regularly meets with airlines, shares information and seeks opportunities to grow aviation access to Western Australia. Tourism Australia has also provided backing across a range of aviation initiatives and is supportive of the western gateway strategy. Current opportunities being explored include increased capacity from China and new direct routes from India and Europe.

Direct flights from Japan: All Nippon Airways (ANA) announced it would begin a direct Tokyo-Perth service from September 1, 2019. Over three years it is estimated the flights will bring nearly 76,000 new visitors from Japan to Perth, providing a \$175 million boost to the WA economy. ANA will deploy a Boeing Dreamliner 787-8 for the route. This aircraft has 184 seats – 32 business and 152 economy class. As part of a campaign to promote the flights in Japan, the Keisei Skyliner - a high-speed train that

transports passengers to Narita Airport - has been decked out with quokka imagery on the exterior. With the train reaching speeds of up to 160kmh, it has been dubbed 'the fastest quokka on Earth'.

Affordable regional airfares: Tourism WA and Qantas extended the affordable airfare initiative between Perth and Broome in May 2019. The program offers special \$199 one-way fares available during the high season (between August, 2019-October, 2019 and June, 2020-August, 2020) and \$179 fares during low season (between October, 2019-June, 2020). Under the initiative, Qantas makes 500 discounted seats available per week during the high season and 600 per week during the low season on its A320 aircraft operating on a Friday, Saturday and Sunday. In the first 12 months of the initiative more than 20,000 fares were purchased.

Qantas, in partnership with Tourism WA, trialled affordable airfares between Perth and Exmouth over the peak travel season in 2019. The \$169 fares applied from June on flights from Friday to Monday that are booked 45 days ahead of travel.

Virgin Australia Airlines deal: Tourism WA and Virgin Australia partnered in a new affordable airfare campaign to entice visitors from the east coast during winter. Fares from Sydney, Melbourne and Brisbane to Perth sold from \$199 one-way, with the campaign sale period running until May 2019. The campaign involved social media and digital advertising and is part of an ongoing two-year agreement between the airline and Tourism WA.

ABORIGINAL TOURISM

Camping with Custodians: Violet Valley, 14kms off Great Northern Highway near Warmun, is close to becoming WA's newest Camping with Custodians campground, bringing income, employment and training opportunities to the Gija people in the Baula-Wah community. Violet Valley will open in 2020. The Camping with Custodians initiative builds community-operated campgrounds on Aboriginal lands, where tourists and the public have the chance to stay with traditional owners and experience Indigenous lifestyle and

Providing MORE
AFFORDABLE
AVIATION for
TOURISTS is KEY





Argyle Diamonds Ord Valley Muster, Kununurra

culture. Campgrounds are also located at Imintji, east of Derby, Mimbi near Fitzroy Crossing and Peedamulla in the Pilbara.

Western Australian Indigenous Tourism Operators Council (WAITOC) partnership: The four-year Aboriginal Tourism Development Program (ATDP) was completed in June 2019. The ATDP provided direct business support to more than 20 Aboriginal tourism businesses, and marketed the whole suite of Aboriginal tourism businesses in WA. The program was a partnership, with Tourism WA administering the Royalties for Regions funding, and delivery by WAITOC. In May 2019 a new four-year funding commitment was announced between Tourism WA and WAITOC, which will support its governance, marketing and business support activities.

Dampier Peninsula: With the Cape Leveque Road to be sealed by late 2020, Tourism WA invested in capacity building activities with tour and attraction operators, and worked with Aboriginal communities to investigate the need for new and diverse short-stay accommodation. The focus is on enhancing the visitor experience to cater for the forecast growth in leisure visitors once easy access is provided to the Peninsula.

CRUISING

New ship announced for WA home porting: The newest addition to the UK-based Cruise and Maritime Voyages (CMV Australia) fleet, the premium *Vasco da Gama*, will be home-ported in Fremantle during the 2019-20 season. *Vasco da Gama*'s 1,220 guest capacity more than doubles that of *CMV's Astor*, which had been based in Fremantle since 2013. Tourism WA negotiated a landmark marketing partnership with CMV Australia to support a new range of WA-focused fly, cruise, rail and stay packages. These itineraries include extended stopovers at WA ports, allowing for longer shore excursions in Perth and regional areas. It was the first time a cooperative marketing agreement had been reached with a cruise industry operator, with the deal reflecting the growing importance of the cruise sector to the WA tourism industry.

Annual cruise conference: The 2018 Australian Cruise Association's annual conference was held in Broome, with around 120 delegates attending the much-anticipated event. The conference attracted leading national and international cruise line executives, shore excursion operators, port authorities, providores, shipping agents and tour businesses. A major outcome from the conference was the decision by APT to schedule two departures by expedition ship *Caledonian Sky* (114 passengers) for 10-night cruises between Geraldton and Broome. These itineraries include what will be the first cruise ship visits to Dampier for passengers to experience the rock art at Murujaga National Park.

DEVELOPMENT OF TOURISM ATTRACTIONS

Tourism Attractions Case Management: A new framework has been developed to assist proposals for innovative tourist attractions – with the potential to attract large numbers of visitors and generate hundreds of jobs – to navigate the various government approval processes. The Tourism Attractions Case Management framework allows Tourism WA to work with private sector proponents to help viable projects become a reality. Some of the proposals being supported include the Tawarri Hot Springs in Dalkeith, seaplane tours on the Swan River and the Matagarup Bridge climb and zip-line, as well as the re-development of the Lighthouse Caravan Park near Exmouth.

we will POSITION
PERTH as
 the
WESTERN GATEWAY
 to AUSTRALIA



Fremantle Port

TOURISM EXPERIENCES

Food and wine trails: The growing food and beverage tourism market was the focus of an initiative to promote WA's fresh produce and stunning landscapes. The WA Food and Wine Trail initiative showcases a number of locations across the State, with 33 trails developed and then promoted through regional and local tourism organisations. A brochure was created for each trail, highlighting the unique produce of that region. Each trail is also listed on the Trails WA website and smart phone app.

While there have been great results, there are challenges that come with improving access and adding attractions and activities.

For example, securing a new international air route from an emerging market can take several years to negotiate. Airlines are commercial businesses and may only add a handful of new destinations to their manifest each year, which means WA is competing with other destinations around the globe. Airlines can also cancel routes or reduce the size of the aircraft they use on particular routes, thereby reducing overall capacity. Likewise, cruise shipping companies can deploy ships to other destinations if their passengers' needs are not being met.

In the attractions and activities space, government red-tape can be a perceived deterrent to proponents looking to develop one-off or innovative projects. To address this, proposals for innovative tourist attractions which have the potential to generate hundreds of jobs could be eligible for State Government help to navigate various approval processes. One of these is Tourism WA's Tourism Attractions Case Management framework (outlined opposite) which was introduced in May 2019. The framework complements the two recently introduced WA Government programs: the Market-led Proposals Policy created a process to manage unsolicited proposals for large-scale projects from the private sector, while Streamline WA is a one-stop shop for businesses, industry and the community to refer regulatory issues in a bid to reduce red-tape and make it easier for the private sector to deal with government. These two programs are run by the Department of Finance and the Department of Treasury respectively.



Swan Valley, Perth

2.2 FINANCIAL TARGETS

FINANCIAL TARGETS	2018-19 ORIGINAL TARGET \$'000	2018-19 REVISED TARGET \$'000	2018-19 ACTUAL \$'000	VARIATION \$'000
Total cost of services (approved expense limit) (see Statement of Comprehensive Income)	93,859	98,893	101,410	2,517
Net cost of services (see Statement of Comprehensive Income)	92,569	97,504	100,425	2,921
Total equity (see Statement of Financial Position)	17,570	17,155	14,458	(2,697)
Net increase/(decrease) in cash held (see Statement of Cash Flows)	175	(6,740)	(5,560)	1,180

Explanatory Notes to Variations against Revised Targets

Further explanations are contained in Note 8.10 'Explanatory statement' to the financial statements.

Total cost of services

The variance is due to:

- \$1 million of unspent Royalties for Regions funding, associated with the Regional Events Program (2015-16 to 2017-18), that was returned to Government; and
- a \$1.5 million overspend in the Destination Marketing and Tourism Destination Development service areas due to additional commitments during the year.

Net cost of services

The variance is made up of the \$2.517 million variance in total cost of services and an unfavourable variance of \$404k in income received from non-State Government sources.

Total equity

The variance in total equity closely matches the variance in total cost of services.

Net increase/(decrease) in cash held

The variation to cash movement is mostly due to a lower than anticipated level of prepayments during the year attributed to event sponsorship commitments.



2.3 KEY PERFORMANCE INDICATORS

2.3.1 Key Effectiveness Indicators

Key Effectiveness Indicators assist with the assessment of agency performance in the achievement of government desired outcomes.

	2018-19 Target	2018-19 Actual
KPI: 1 Total dollar amount spent by visitors in Western Australia	\$10.0 billion	\$9.6 billion
KPI: 2 Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.8%
KPI: 3 Value of cooperative marketing funds provided by the tourism industry	\$7.5 million	\$15.1 million
KPI: 4 Direct economic impact of major events sponsorship	\$50 million	\$52.3 million
KPI: 5 Direct media impact of major events sponsorship	\$110 million	\$167.3 million

2.3.2 Key Efficiency Indicators

Key Efficiency Indicators assist with the assessment of agency service delivery. They monitor the relationship between the service delivered and the resources used to produce the service.

	2018-19 Target	2018-19 Actual
KPI: 6 Destination Marketing administrative costs as a proportion of Total Cost of Services allocated to Destination Marketing	21%	20%
KPI: 7 Events Tourism administrative costs as a proportion of Total Cost of Services allocated to Events Tourism	10%	12%
KPI: 8 Tourism Destination Development administrative costs as a proportion of Total Cost of Services allocated to Tourism Destination Development	63%	43%

Detailed Key Performance Indicators information can be found on page 75.



Hutt Lagoon, near Port Gregory

3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

The WA Government is committed to growing the visitor economy in the State and has allocated more than \$100 million to tourism in 2019-20. Tourism WA is in the second year of its Two-Year Action Plan, which aims to maximise tourism growth and create jobs, capitalising on the ongoing transformation of Perth, including new hotels along with event and entertainment infrastructure.

Over the past seven years, 35 new or redeveloped hotels have opened in and around Perth, which has added more than 3,600 new rooms to the local market. Whilst this is a welcome addition it does bring with it significant challenges to Tourism WA.

In January 2018, the 60,000 seat Optus Stadium opened and more than two million attendees have visited in its first 12 months of operation. The new stadium has provided a boost to the visitor economy through hosting of major international events and the opportunity to highlight WA through international media coverage. The AFL season alone has contributed more than \$31 million to the WA economy, and delivered more than 29,000 out-of-State visitors.

New international aviation links and an increase in international aviation capacity to WA are critical to increasing visitation. Commencing in 2018-19, an additional \$10 million in aviation funding, over five years, has been provided to Tourism WA to attract new routes to WA.

Direct flights from Tokyo to Perth have been secured and commenced on September 1, 2019. A new direct route from India and additional air services between China and Perth are being pursued.

A \$12 million international marketing boost has been committed to support aviation attraction and to grow the number of international visitors to WA.

Building on the success of the Two-Year Action Plan, Tourism WA will develop a longer-term tourism strategy for WA, which will align with the national strategy being developed by Tourism Australia. Aligned with this work, is Aboriginal tourism, which is a key focus for the State Government. Funding will continue out to 2022-23, and Tourism WA is working with key stakeholders to grow this important part of the industry.

Net migration continues to impact WA with more people choosing to leave the State than those deciding to make it their new home. Fewer people from interstate and overseas living in WA impacts the tourism industry as it creates a smaller visiting friends and relatives market (VFR).



Lake Argyle, Kununurra

3.1 GLOBAL TRENDS

The table below outlines the trends that will affect Australian tourism and implications for Tourism WA. These trends have been taken into consideration when planning Tourism WA's destination marketing, event tourism and destination development activities.

Global changes impacting Australian tourism¹

Economic

The outlook remains mixed, with Asian economies continuing to grow, led by China; there are concerns around the impact of Brexit on the UK and elections in Germany, France and Italy; there are potential upsides from the pro-growth agenda in the USA.

Tourism is increasingly competitive as a growing number of destinations invest in tourism, recognising its economic and social benefits. In 2016, it contributed 10 per cent of global GDP and accounted for one in 10 jobs.

Australia's tourism industry is a significant contributor to the national economy with tourism spend growing to \$131 billion in 2017-18.

Marketing Channels

Digital disruption affects how we communicate with potential visitors. Programmatic advertising and media buying will be key.

The use of digital, video and content marketing is continuing to increase.

Australia remains competitive in being associated with: good food and wine, natural beauty and nature, and wildlife.

Consumer

Demand is rising for experiential travel, particularly for food and wine, natural beauty and wildlife experiences.

There is increasing use of mobile and direct transactions between consumers and tourism operators.

Continue to see an increase of visitors from Asia over other overseas markets particularly China, India and Japan; and increasingly independent travellers from these markets.

Travel industry

The sharing economy is continuing to grow in popularity.

The number of online travel agencies is continuing to grow.

Global aviation capacity is projected to grow 7 per cent in the next four years; capacity within Australia is forecast to grow 4 per cent.

Implications for Tourism Western Australia

Continue to focus on driving leisure visitation from key Asian markets, and traditional markets.

Important to maintain marketing investment across a balanced portfolio of markets.

Develop a connected and digitally focused marketing approach.

Place a focus on investment targeted to those media channels that are used by our target audience.

Ensure there is a focus on these associations for WA.

Opportunities to capitalise on consumer and technology trends; work with industry to maximise the opportunity of these trends.

Continue to focus on Asian markets and on the High Value Travellers.

Monitor developments that impact demand for WA as a tourism destination

Continued focus on developing aviation access into and around WA.

¹ Operating environment changes and implications table adapted from Tourism Australia.

² State of the Industry 2017-18, Tourism Research Australia

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.1 INDEPENDENT AUDITOR'S REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN TOURISM COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Western Australian Tourism Commission which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Tourism Commission for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Tourism Commission. The controls exercised by the Commission are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Western Australian Tourism Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Tourism Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2019 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
September 2019

4.2 FINANCIAL STATEMENTS

Certification of Financial Statements

For the reporting period ended 30 June 2019

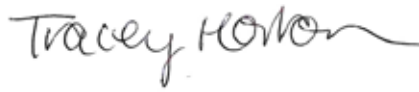
The accompanying financial statements of the Western Australian Tourism Commission (operating as Tourism WA) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.




Nathan Harding
CHAIRMAN

30 August 2019



Tracey Horton
COMMISSIONER

30 August 2019



Renato Sansalone
CHIEF FINANCIAL OFFICER

30 August 2019



Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.5	369	406
Supplies and services	3.1	40,463	36,945
Depreciation and amortisation expense	5.1, 5.2	604	546
Accommodation expenses	3.5	1,847	1,800
Grants and subsidies	3.2	1,381	4,507
Event operations expenses	3.3	26,137	27,144
Advertising and promotion expenses	3.4	29,504	21,265
Other expenses	3.5	1,105	-
Total cost of services		101,410	92,613
Income			
Revenue			
Commonwealth grants and contributions	4.2	99	1,382
Interest revenue		402	329
Other revenue	4.3	484	1,287
Total Revenue		985	2,998
Total income other than income from State Government		985	2,998
		100,425	89,615
NET COST OF SERVICES			
Income from State Government			
	4.1		
State grants and contributions		70,439	64,947
Services received free of charge		10,785	10,493
Royalties for Regions Fund		16,432	14,262
Total income from State Government		97,656	89,702
SURPLUS/(DEFICIT) FOR THE PERIOD		(2,769)	87

See also note 2.2 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	1,416	6,086
Restricted cash and cash equivalents	6.1	824	1,714
Receivables	5.3	1,206	1,683
Prepayments	5.4	10,597	7,524
Amounts receivable for services	5.5	475	475
Total Current Assets		14,518	17,482
Non-Current Assets			
Amounts receivable for services	5.5	5,570	6,045
Property, plant and equipment	5.1	206	264
Intangible assets	5.2	581	507
Other non-current assets	5.6	229	242
Total Non-Current Assets		6,586	7,058
TOTAL ASSETS		21,104	24,540
LIABILITIES			
Current Liabilities			
Payables	5.7	6,523	6,614
Employee related provisions	3.5	123	79
Other current liabilities	5.8	-	770
Total Current Liabilities		6,646	7,463
TOTAL LIABILITIES		6,646	7,463
NET ASSETS		14,458	17,077
EQUITY			
Contributed equity	8.8	10,486	10,336
Accumulated surplus		3,972	6,741
TOTAL EQUITY		14,458	17,077

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	CONTRIBUTED EQUITY \$'000	ACCUMULATED SURPLUS \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2017		10,133	6,654	16,787
Surplus		-	87	87
Total comprehensive income for the period		-	87	87
Transactions with owners in their capacity as owners:	8.8			
Capital appropriations		-	-	-
Other contributions by owners		203	-	203
Total		203	-	203
Balance at 30 June 2018		10,336	6,741	17,077
Balance at 1 July 2018		10,336	6,741	17,077
Deficit		-	(2,769)	(2,769)
Total comprehensive income for the period		-	(2,769)	(2,769)
Transactions with owners in their capacity as owners:	8.8			
Capital appropriations		150	-	150
Total		150	-	150
Balance at 30 June 2019		10,486	3,972	14,458

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
State grants and contributions		69,739	64,947
Capital appropriation		150	-
Holding account drawdown		475	475
Royalties for Regions Fund		16,432	14,262
Transfer of leave liability		-	(2,215)
Net cash provided by State Government		86,796	77,469
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(372)	(605)
Supplies and services		(27,843)	(26,279)
Accommodation		(1,847)	(1,766)
Grants and subsidies		(1,383)	(4,477)
GST payments on purchases		(7,789)	(6,793)
Event operations payments		(30,763)	(26,192)
Advertising and promotion payments		(29,057)	(20,660)
Other payments		(1,266)	(164)
Receipts			
Commonwealth grants and contributions		99	1,382
Interest received		407	328
GST receipts on sales		413	106
GST receipts from taxation authority		7,416	6,952
Other receipts		255	1,752
Net cash used in operating activities		(91,730)	(76,416)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(626)	(63)
Net cash used in investing activities		(626)	(63)
Net increase/(decrease) in cash and cash equivalents		(5,560)	990
Cash and cash equivalents at the beginning of the period		7,800	6,810
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1	2,240	7,800

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2019

NOTE 1. BASIS OF PREPARATION

The Western Australian Tourism Commission (operating as Tourism WA) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. Tourism WA is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of Tourism WA's operations and its principal activities are included in the Annual Report which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Board of Commissioners of Tourism WA (the accountable authority) on 30 August 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- The *Financial Management Act 2006* (FMA)
- Treasurer's Instructions (TIs)
- Australian Accounting Standards (AASs) – Reduced Disclosure Requirements
- Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The *Financial Management Act 2006* and Treasurer's Instructions take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by *T/955 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and have been credited directly to Contributed Equity.



For the 2018 year, capital funding provided through the Department of Jobs, Tourism, Science and Innovation was not formally designated by Government as contributions by owners and was recognised as 'State grants and contributions' in the Statement of Comprehensive Income. Capital funding for 2019 was formally designated by Government.

NOTE 2. AGENCY OUTPUTS

This section includes information regarding the nature of funding Tourism WA receives and how this funding is utilised to achieve Tourism WA's objectives. This note also provides the distinction between controlled and administered funding.

	Notes
Agency objectives	2.1
Schedule of income and expenses by service	2.2

2.1 Agency objectives

Mission

Tourism WA shares its goal with the Western Australian tourism industry, and federal, state and territory governments, to maximise tourism's contribution to the Australian people. The national stretch target is a challenging one: To achieve \$140 billion in annual overnight tourism expenditure by 2020. To bring this vision to life, over the decade between 2010 and 2020, a stretch goal for tourism in Western Australia has been developed. This is: To double the value of tourism in Western Australia from \$6 billion in 2010 to \$12 billion by 2020.

Services

Tourism WA comprises the following three service areas:

Service 1: Destination Marketing

In partnership with the tourism and travel industry, Regional Tourism Organisations, Perth Convention Bureau, Western Australian Indigenous Tourism Operators Council and Tourism Australia, Tourism WA promotes Western Australia as a desirable holiday destination in core intrastate, interstate and international markets and undertakes marketing strategies that maximise the economic benefit to the State.

Service 2: Event Tourism

Tourism WA develops, attracts and supports events that generate social and economic benefit to the State and market Western Australia nationally and internationally.

Service 3: Tourism Destination Development

This service focuses on tourism supply side issues; working across Government and the industry to determine the needs of destinations in terms of access, accommodation, attractions and amenities; and facilitating the filling of gaps through private or public investment and policy settings.

Tourism WA administers expenses on behalf of Government (for Qantas Hub infrastructure at Perth Airport) that are not controlled by, nor integral to, the function of the agency. These transactions are not recognised in the principal financial statements of the agency but schedules are prepared using the same basis as the financial statements and are presented at Note 9.1 'Disclosure of administered income and expenses'.



Notes to the Financial Statements

For the year ended 30 June 2019

2.2 Schedule of income and expenses by service For the year ended 30 June 2019

	Destination Marketing		Event Tourism		Tourism Destination Development		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES								
Expenses								
Employee benefits expense	214	244	80	81	75	81	369	406
Supplies and services	30,428	26,462	4,632	4,521	5,403	5,962	40,463	36,945
Depreciation and amortisation expense	350	328	130	109	124	109	604	546
Accommodation expenses	1,364	1,336	258	233	225	230	1,847	1,800
Grants and subsidies	34	113	-	7	1,347	4,387	1,381	4,507
Event operations expenses	-	-	26,137	27,144	-	-	26,137	27,144
Advertising and promotion expenses	27,742	19,944	1,323	1,027	439	294	29,504	21,265
Other expenses	43	-	1,046	-	16	-	1,105	-
Total cost of services	60,175	48,428	33,606	33,122	7,629	11,063	101,410	92,613
Income								
Commonwealth grants and contributions	-	-	-	-	99	1,382	99	1,382
Interest revenue	233	198	87	65	82	66	402	329
Other revenue	431	1,018	27	131	26	138	484	1,287
Total income other than income from State Government	664	1,216	114	196	207	1,586	985	2,998
NET COST OF SERVICES	59,511	47,212	33,492	32,926	7,422	9,477	100,425	89,615
INCOME FROM STATE GOVERNMENT								
Service appropriation	47,237	41,951	20,395	20,869	2,807	2,127	70,439	64,947
Resources received free of charge	6,300	5,787	2,511	2,341	1,974	2,365	10,785	10,493
Royalties for Regions Fund	3,501	-	11,481	9,550	1,450	4,712	16,432	14,262
Total income from State Government	57,038	47,738	34,387	32,760	6,231	9,204	97,656	89,702
Surplus/(deficit) for the period	(2,473)	526	895	(166)	(1,191)	(273)	(2,769)	87

NOTE 3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how Tourism WA's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by Tourism WA in achieving its objectives and the relevant notes are:

	Notes	2019 \$'000	2018 \$'000
Supplies and services	3.1	40,463	36,945
Grants and subsidies	3.2	1,381	4,507
Event operations expenses	3.3	26,137	27,144
Advertising and promotion expenses	3.4	29,504	21,265
Other expenses	3.5	3,321	2,206

3.1 Supplies and services

	2019 \$'000	2018 \$'000
Communications expenses	199	270
Computer expenses	2,113	1,700
Contracts for service	12,211	11,721
General administration expenses	3,071	2,368
Insurance	67	77
Marketing services	2,683	2,878
Operating lease, rental and hire costs	336	322
Printing and stationery	32	27
Professional services	6,359	4,653
Research	1,886	1,753
Services provided by the Department of Jobs, Tourism, Science and Innovation ^(a)	10,764	10,437
Travel	671	665
Vehicles	71	74
	40,463	36,945

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

(a) Following Machinery of Government changes that became effective 1 July 2017, Tourism WA employees were transferred to the Department of Jobs, Tourism, Science and Innovation. As the employing authority, the Department provides personnel to Tourism WA on a free of charge basis and retains the associated cash funding from Government. Services provided by the Department represent wages and salaries, superannuation expense, payroll processing costs, fringe benefits tax, workers' compensation insurance and any termination benefits associated with personnel provided to Tourism WA. See also Notes 3.5.1 'Employee benefits expense' and 4.1 'Income from State Government'.

Notes to the Financial Statements

For the year ended 30 June 2019

3.2 Grants and subsidies

	2019 \$'000	2018 \$'000
Royalties for Regions		
Caravan and Camping / Camping with Custodians	-	1,477
Regional Visitor Centres	-	1,218
Ferguson Valley Wellington Forest Marketing	300	-
Tourism Demand-Driver Infrastructure	-	1,382
Aboriginal tourism development	723	62
Cruise sector tourism development	213	53
Other grants and sponsorships	145	315
	1,381	4,507

Transactions in which Tourism WA provides funding to another party without receiving approximately equal value in return are categorised as grant expenses. Grants can be either operating or capital in nature.

Grants can be paid as general purpose grants which refers to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contributions to owners) are recognised as an expense in the reporting period in which they are paid or payable.

3.3 Event operations expenses

	2019 \$'000	2018 \$'000
Event sponsorship by funding source:		
Consolidated Account	18,273	19,891
Royalties for Regions Fund – Regional Events Program	7,864	7,253
	26,137	27,144

Event operations expenses are recognised in the period that the event takes place.

3.4 Advertising and promotion expenses

	2019 \$'000	2018 \$'000
Promotions and co-operative campaigns	23,888	17,241
Collateral – production and distribution	2,302	1,717
Familiarisation visits	3,287	2,266
Multimedia and audiovisual	27	41
	29,504	21,265

Advertising and promotion expenses are expensed in the reporting period in which the campaign or other activity occurs.

3.5 Other expenses

	2019 \$'000	2018 \$'000
3.5.1 Employee benefits expense		
Commissioner fees	321	345
Superannuation – defined contribution plans ^(a)	27	30
Fringe benefits tax	21	31
Total employee benefits expense	369	406
3.5.3 Accommodation expenses		
Cleaning	52	72
Lease rentals	1,347	1,273
Utilities	50	61
Repairs and maintenance	398	394
Total accommodation expenses	1,847	1,800
3.5.4 Other expenditures		
Royalties for Regions – refund of cash balances	1,030	-
Loss on foreign exchange	54	-
Miscellaneous expenditure	21	-
Total other expenditures	1,105	-
Total other expenses	3,321	2,206

(a) Defined contribution plans for Commissioners are either Government Employees Superannuation Board Schemes (GESBs) or other eligible funds.



Notes to the Financial Statements

For the year ended 30 June 2019

3.5.1 Employee benefits expense

Employee benefits represents costs associated with the Board of Commissioners of Tourism WA.

Tourism WA employees, excluding Commissioners, were transferred to the new Department of Jobs, Tourism, Science and Innovation on 1 July 2017. The Department provides personnel to Tourism WA on a free of charge basis and associated costs are recognised under 'Supplies and services' (see also Note 3.1 'Supplies and services' and 4.1 'Income from State Government').

3.5.2 Employee related provisions

Provision is made for benefits accruing to employees in respect of annual leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Employee related provisions associated with local staff were transferred to the Department of Jobs, Tourism, Science and Innovation following the transfer of staff to the Department on 1 July 2017. Reported provisions solely represent annual leave provisions for international staff of Tourism WA. The Board of Commissioners of Tourism WA are paid at a set remuneration rate and do not accrue leave entitlements.

	2019 \$'000	2018 \$'000
Current		
Employee benefits provision		
Annual leave ^(a)	123	79
Total employee related provisions	123	79

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

3.5.3 Accommodation expenses

Operating lease payments are recognised on a straight-line basis over the lease term.

Cleaning, utilities and repairs and maintenance are recognised as expenses are incurred.

3.5.4 Other expenditures

The refund of Royalties for Regions cash balances represents unused Regional Events Program funds (2015-16 to 2017-18) that were returned to Government during the year. Refunds of this nature are recorded as expenditure in the year the funds are returned.



NOTE 4. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how Tourism WA obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by Tourism WA and the relevant notes are:

	Notes	2019 \$'000	2018 \$'000
Income from State Government	4.1	97,656	89,702
Commonwealth grants and contributions	4.2	99	1,382
Interest revenue		402	329
Other revenue	4.3	484	1,287

4.1 Income from State Government

	2019 \$'000	2018 \$'000
Grants from other State government agencies:		
State grants and contributions		
Department of Jobs, Tourism, Science and Innovation ^(a)	65,999	64,847
Burswood Park Board	4,440	-
Other	-	100
Total state grants and contributions	70,439	64,947
Services received free of charge from other State government agencies during the period:		
Department of Jobs, Tourism, Science and Innovation ^(a)	10,738	10,419
Department of Finance	37	37
State Solicitors Office	10	22
WA Land Information Authority (Landgate)	-	15
Total services received free of charge	10,785	10,493
Royalties for Regions Fund:		
Regional Community Services Account ^(b)	16,432	14,262
Total Royalties for Regions Fund	16,432	14,262
Total income from State Government	97,656	89,702

- (a) **Grants from other State government agencies** are recognised as revenues at fair value in the period in which Tourism WA gains control of the funds. Control of these funds is gained at the time funds are deposited in Tourism WA's bank account.

Following Machinery of Government changes that came into effect on 1 July 2017, Tourism WA no longer receives service appropriation funding from Government. Tourism WA's funding is provided by Government to the Department of Jobs, Tourism, Science and Innovation. Funding for employee-related costs for personnel provided by the Department to Tourism WA is retained by the Department (and provided to Tourism WA **as a service free of charge**) and the remainder of funding is provided by the Department to Tourism WA as a **grant**.

Notes to the Financial Statements

For the year ended 30 June 2019

- (b) **The Regional Community Services Account** is a sub-fund within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when Tourism WA gains control on receipt of the funds.

Details of program funding are:

	2019 \$'000	2018 \$'000
Regional Events Program	11,481	9,550
Regional Tourism Marketing Program	3,501	-
Aboriginal Tourism Development Program	1,150	1,150
Ferguson Valley Wellington Forest Marketing Program	300	-
Caravan and Camping Action Plan	-	2,189
Regional Visitor Centres Program	-	1,373
Total Royalties for Regions funding	16,432	14,262

4.2 Commonwealth grants and contributions

	2019 \$'000	2018 \$'000
Aboriginal tourism (Camping with Custodians)	99	-
Tourism Demand-Driver Infrastructure	-	1,382
Total Commonwealth grants and contributions	99	1,382

Two grants were received in 2019 from Indigenous Business Australia for Aboriginal tourism initiatives. The grant funding has been recognised in its entirety upon receipt as the only condition applying to its use is how it can be expended and it is not subject to performance measures. As at 30 June 2019, the Commonwealth funding has been fully expended.

2018 funding for Tourism Demand-Driver Infrastructure relates to a National Partnership agreement, between the Commonwealth of Australia and all the States and Territories, which expired on 30 June 2018. Western Australia, through Tourism WA, received \$5.06 million over four years for the delivery of infrastructure projects that contribute to Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure. Infrastructure projects were undertaken by third parties with contributions via a grant program administered by Tourism WA (see Note 3.2 'Grants and subsidies').

4.3 Other revenue

	2019 \$'000	2018 \$'000
Airline in-kind contributions	209	241
Recoup of expenditure	148	351
Refunds of prior year expenditure	49	557
Insurance recoveries	41	21
Gain on foreign exchange	-	45
Travel agents' commissions	-	35
Miscellaneous revenue	37	37
Total other revenue	484	1,287

Revenue is recognised and measured at the fair value of consideration received or receivable.

NOTE 5. ASSETS AND LIABILITIES

This section includes information regarding assets Tourism WA utilises to gain economic benefits or provide service potential along with the key accounting policies and financial information about the performance of these assets. This section also sets out other assets and liabilities that arose from Tourism WA's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$'000	2018 \$'000
Property, plant and equipment	5.1	206	264
Intangible assets	5.2	581	507
Receivables	5.3	1,206	1,683
Prepayments	5.4	10,597	7,524
Amounts receivable for services	5.5	6,045	6,520
Other non-current assets	5.6	229	242
Payables	5.7	6,523	6,614
Other liabilities	5.8	-	770

5.1 Property, plant and equipment

YEAR ENDED 30 JUNE 2019	FURNITURE, FITTINGS AND EQUIPMENT \$'000	COMPUTER EQUIPMENT \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
1 July 2018				
Gross carrying amount	2,930	459	35	3,424
Accumulated depreciation	(2,719)	(441)	-	(3,160)
Accumulated impairment loss	-	-	-	-
Carrying amount at start of period	211	18	35	264
Additions	-	31	-	31
Transfers	-	29	(29)	-
Adjustments	-	-	(6)	(2)
Other disposals	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	(74)	(9)	-	(83)
Carrying amount at 30 June 2019	137	69	-	206
Comprising:				
Gross carrying amount	2,930	431	-	3,361
Accumulated depreciation	(2,793)	(362)	-	(3,155)
Accumulated impairment loss	-	-	-	-
Carrying amount at 30 June 2019	137	69	-	206

- (a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Notes to the Financial Statements

For the year ended 30 June 2019

Initial recognition

Items of property, plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a Machinery of Government change are transferred at their fair value. There were no asset transfers affecting Tourism WA as part of Machinery of Government changes during the reporting period.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement. As at the reporting date, Tourism WA did not carry any leasehold improvement assets.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Tourism WA was not party to any finance leases as at reporting date.

Subsequent measurement

Subsequent to initial recognition as an asset, property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

5.1.1 Depreciation and impairment

Charge for the period

	2019 \$'000	2018 \$'000
Depreciation		
Furniture, fittings and equipment	74	84
Computing equipment	9	12
Total depreciation for the period	83	96

As at 30 June 2019 there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written off.

Please refer to Note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

All items of property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives for the different asset classes for current and prior years are as follows:

Asset class	Useful life
Furniture, fittings and equipment	5 to 10 years
Computer equipment	3 to 5 years
Leasehold improvements	Shorter of remaining term of lease or estimated useful life of improvement

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

Impairment

Non-financial assets, including items of property, plant and equipment and intangible assets, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As Tourism WA is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount is increased to its recoverable amount. However this reversal does not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.



Notes to the Financial Statements

For the year ended 30 June 2019

5.2 Intangible assets

YEAR ENDED 30 JUNE 2019	SOFTWARE AND WEBSITE DEVELOPMENT \$'000	DEVELOPMENT COSTS \$'000	CAMPAIGN PRODUCTION COSTS \$'000	TOTAL \$'000
1 July 2018				
Gross carrying amount	334	706	990	2,030
Accumulated amortisation	(326)	(610)	(587)	(1,523)
Accumulated impairment loss	-	-	-	-
Carrying amount at start of period	8	96	403	507
Additions	595	-	-	595
Classified as held for sale	-	-	-	-
Impairment losses	-	-	-	-
Impairment losses reversed	-	-	-	-
Amortisation expense	(151)	(50)	(320)	(521)
Carrying amount at 30 June 2019	452	46	83	581
Comprising:				
Gross carrying amount	739	706	990	2,435
Accumulated amortisation	(287)	(660)	(907)	(1,854)
Carrying amount at 30 June 2019	452	46	83	581

Software and website development

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Campaign production costs

Internally developed campaign production costs associated with researching campaign concepts, including fees paid to advertising agencies, are expensed as incurred up to approval of the final concept. Costs incurred for development of the approved campaign concepts, including casting, travel and accommodation, licencing, music, location costs, filming and other production and post-production costs, are carried forward when the future economic benefits can reasonably be regarded as assured. These are carried at cost less accumulated amortisation and accumulated impairment losses. All costs of advertisement placement are expenses when incurred.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the maintenance phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more, and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) An intention to complete the intangible asset and use or sell it;
- (c) The ability to use or sell the intangible asset;
- (d) The intangible asset will generate probable future economic benefit;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

5.2.1 Amortisation and impairment

Charge for the period

	2019 \$'000	2018 \$'000
Amortisation		
Software and website development	151	70
Development costs	50	50
Campaign production costs	320	330
Total amortisation for the period	521	450

As at 30 June 2019 there were no indications of impairment to intangible assets.

Tourism WA held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by Tourism WA have a finite useful life and zero residual value. Estimated useful lives are reviewed annually. The estimated useful lives for each class of intangible asset are as follows:

Asset class	Useful life
Software and website development ^(a)	3 to 5 years
Development costs	3 to 5 years
Campaign production costs	3 years

- (a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 5.1.1.

Notes to the Financial Statements

For the year ended 30 June 2019

5.3 Receivables

	2019 \$'000	2018 \$'000
Current		
Receivables	4	45
Allowance for impairment of receivables	-	-
Accrued revenue	162	258
GST receivable	1,040	1,380
Total receivables	1,206	1,683

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (ie. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.4 Prepayments

	2019 \$'000	2018 \$'000
Event sponsorship	9,719	6,460
Licence, maintenance and support fees	573	527
Accommodation expenses	135	147
Other	170	390
Total prepayments	10,597	7,524

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.



5.5 Amounts receivable for services (holding account)

	2019 \$'000	2018 \$'000
Current	475	475
Non-current	5,570	6,045
Balance at end of period	6,045	6,520

Amounts receivable for services represent the non-cash component of service appropriations. For Tourism WA, the non-cash component of service appropriations was received up to 30 June 2017 (prior to Machinery of Government changes). The balance of amounts receivable for services is restricted in that it can only be used for asset replacement.

Amounts receivable for services are considered not impaired (ie. there is no expected credit loss of the holding account).

5.6 Other non-current assets

	2019 \$'000	2018 \$'000
Investments	229	242
Total other non-current assets	229	242

At 30 June 2019, Tourism WA held a 13.57% interest (2018: 13.57%) in the Australian Tourism Data Warehouse Pty Ltd, which is classified as a fair value through profit and loss financial asset in accordance with AASB 9. Its principal activity is the development of a database for Australian tourism products. Since there is no active market, the fair value is its liquidation value being working capital plus property, plant and equipment.

5.7 Payables

	2019 \$'000	2018 \$'000
Current		
Trade payables	1,562	1,304
Accrued expenses	4,960	5,309
Accrued salaries	1	1
Total payables	6,523	6,614

Payables are recognised at the amounts payable when Tourism WA becomes obliged to make future payments as a result of a purchase of assets or services or agreed contractual milestones on grants. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to Commissioners, but unpaid, at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. Tourism WA considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.8 Other liabilities

	2019 \$'000	2018 \$'000
Current		
Income in advance	-	770
Total other liabilities	-	770

2018 income in advance represents a third party contribution towards sponsorship of an event that occurred in the 2019 year.

Notes to the Financial Statements

For the year ended 30 June 2019

NOTE 6. FINANCING

This section sets out the material balances and disclosures associated with the cashflows of Tourism WA.

	Notes
Cash and cash equivalents	6.1
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1
Other expenditure commitments	6.2.2

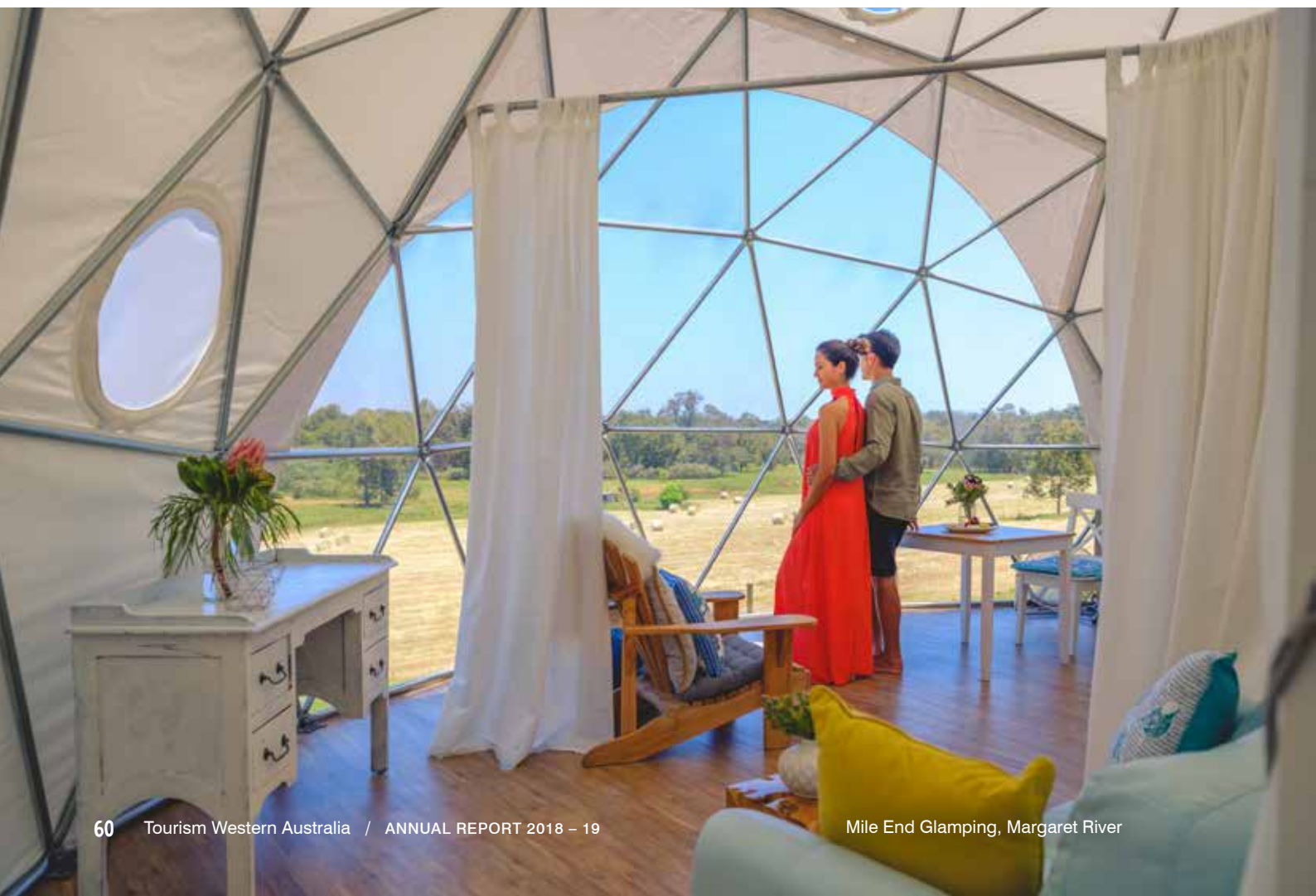
6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

	2019 \$'000	2018 \$'000
Cash and cash equivalents	1,416	6,086
Restricted cash and cash equivalents		
- Royalties for Regions Fund ^(a)	824	1,714
Balance at end of period	2,240	7,800

(a) Unspent funds are either committed to projects and programs in WA regional areas or will be returned to the Department of Treasury.

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.



6.2 Commitments

6.2.1 Non-cancellable operating lease commitments

	2019 \$'000	2018 \$'000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	1,830	1,515
Later than 1 year and not later than 5 years	5,607	2,978
Later than 5 years	6,771	-
	14,208	4,493

Operating leases are expensed on a straight-line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

Tourism WA leases its motor vehicles from State Fleet, a division of the Department of Finance. Main property leases for head office accommodation are rented under lease to the Honourable Minister for Works and through a Memorandum of Understanding between the Department of Finance and Tourism WA. The property leases are non-cancellable leases with terms of up to ten years and rent is payable monthly in advance.

Contingent rent provisions within the lease agreements require that minimum lease payments shall be increased by the lower of CPI or a nominated percentage per annum. Options exist to renew some of the leases at the end of their terms for additional periods.

Judgements made by management in applying accounting policies – operating lease commitments

Tourism WA has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

6.2.2 Other expenditure commitments

	2019 \$'000	2018 \$'000
Other expenditure commitments in relation to the sponsorship of events within Western Australia and other contracts and agreements for operational activities in place at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	44,898	47,100
Later than 1 year and not later than 5 years	39,524	41,405
Later than 5 years	3,300	-
	87,722	88,505

The totals presented for other expenditure commitments are GST inclusive.



Notes to the Financial Statements

For the year ended 30 June 2019

NOTE 7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Notes
Financial risk management	7.1
Contingent assets and liabilities	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2019 \$'000	2018 \$'000
Financial assets		
Cash and cash equivalents	2,240	7,800
Receivables ^(a)	166	303
Financial assets at amortised cost	6,045	6,520
Fair value through profit and loss financial asset	229	242
Total financial assets	8,680	14,865
Financial liabilities		
Financial liabilities measured at amortised cost	6,523	6,614
Total financial liabilities	6,523	6,614

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Tourism WA has no contingent assets or contingent liabilities at reporting date.

NOTE 8. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements for further understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

The Statement of Comprehensive Income and Statement of Financial Position have been prepared on the basis of conditions existing at reporting date. There is no additional evidence of events or conditions occurring after balance date that may have an impact on the financial statements.

8.2 Initial application of Australian Accounting Standards

Operative for
reporting periods
beginning on/after

AASB	Financial Instruments	1 Jan 2018
9	<p>AASB 9 <i>Financial Instruments</i> replaces AASB 139 <i>Financial instruments: Recognition and Measurement</i> for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.</p> <p>Tourism WA applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has no impact to Tourism WA.</p> <p><i>Classification and measurement</i></p> <p>Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on two criteria: Tourism WA's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.</p> <p>The assessment of Tourism WA's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.</p> <p>The classification and measurement requirements of AASB 9 did not have an impact to Tourism WA.</p>	

8.3 Key management personnel

Tourism WA has determined key management personnel to include Cabinet Ministers, members of the accountable authority (board members) and senior officers of Tourism WA. Tourism WA does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for Board members and senior officers of Tourism WA for the reporting period are presented below.

Compensation of members of the accountable authority

	2019	2018
0 – 10,000	1	1
10,001 – 20,000	-	1
30,001 – 40,000	5	6
40,001 – 50,000	2	1
60,001 – 70,000	1	1
	\$'000	\$'000
Total compensation of members of the accountable authority	338	350

Commissioner fees for Kevin Brown are excluded from the above tables as these fees are paid directly to Perth Airport Pty Ltd.

Notes to the Financial Statements

For the year ended 30 June 2019

Compensation of senior officers

	2019	2018
20,001 – 30,000	-	1
40,001 – 50,000	2	-
60,001 – 70,000	-	1
80,001 – 90,000	1	-
100,001 – 110,000	1	-
130,001 – 140,000	1	2
140,001 – 150,000	1	1
150,001 – 160,000	1	-
190,001 – 200,000	2	-
200,001 – 210,000	1	3
210,001 – 220,000	-	1
250,001 – 260,000	1	-
	\$'000	\$'000
Total compensation of senior officers	1,578	1,343

Senior officers are defined as those officers who sat on the Executive Management Team for part or all of the financial year.

Compensation details of senior officers are disclosed in this note however these personnel are remunerated by the Department of Jobs, Tourism, Science and Innovation. The Department provides personnel to Tourism WA, including senior officers, on a free of charge basis and associated costs are recognised under 'Supplies and services' (see Note 3.1).



8.4 Related party transactions

Tourism WA is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of Tourism WA include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all key management personnel and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies that are included in the whole of government consolidated financial statements (ie. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with related parties

There were no related party transactions during the year that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

There are no related bodies.

8.6 Affiliated bodies

Perth Convention Bureau

Tourism WA entered into a contract for service with the Perth Convention Bureau Inc. (PCB) for the provision of the Convention and Incentive Travel Output previously undertaken by a division of Tourism WA. This contract covers a four-year period to 30 June 2020.

Tourism WA controls the activities of the PCB to the extent that it provides the majority of the PCB's funding and that the PCB has contracted to submit its annual operation plan and budget for approval by Tourism WA prior to implementation. The PCB is not subject to operational control by Tourism WA. The PCB received more than 50% of its total funding from Tourism WA in 2018-19.

Payments inclusive of GST made to the PCB in 2018-19 totalled \$5,865,553 (2017-18: \$5,632,000).

Regional Tourism Organisations

Tourism WA entered into Marketing and Services Agreements with each of the five Regional Tourism Organisations (RTOs) in Western Australia to promote and market the regions. The RTOs comprise Destination Perth (previously known as Experience Perth), Australia's Coral Coast, Australia's Golden Outback, Australia's South West and Australia's North West. The current agreement period is from 1 January 2016 to 30 June 2020.

The RTOs are not subject to operational control by Tourism WA, but are required to submit their annual business plan for approval prior to implementation. All five RTOs received more than 50% of their total funding from Tourism WA in 2018-19.

Base payments, inclusive of GST, made to each RTO in 2018-19 were \$777,478 (2017-18: \$770,542). Total additional payments made to the RTOs in 2018-19 for other activities were \$675,329 (2017-18: \$504,839).

Western Australian Indigenous Tourism Operators Council (WAITOC)

Tourism WA entered into two four-year agreements with WAITOC - an Administration Services Agreement and a Marketing and Business Development agreement (the latter being funded through the Royalties for Regions Fund) - to promote Aboriginal tourism experiences in Western Australia. These agreements expired 30 June 2019 and a new agreement has been developed for 2019-20 to 2022-23 to fund Aboriginal tourism initiatives.

WAITOC is not subject to operational control by Tourism WA but received more than 50% of its total funding from Tourism WA in 2018-19.

Total payments, inclusive of GST, made to WAITOC in 2018-19 under the two agreements were \$1,485,000 (2017-18: \$1,485,000). Payments to WAITOC for other various Aboriginal tourism initiatives totalled \$731,571 (2017-18: \$70,393).

Notes to the Financial Statements

For the year ended 30 June 2019

8.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019 \$'000	2018 \$'000
Auditing the accounts, financial statements, controls and key performance indicators	115	114
Auditing Royalties for Regions Annual Report financials.	8	11
	123	125

8.8 Equity

	2019 \$'000	2018 \$'000
Contributed equity		
Balance at start of period	10,336	10,133
Contributions by owners		
Capital appropriation	150	-
Transfer of net assets from other agencies		
Transfer of employment (leave liability) on-costs to the Department of Jobs, Tourism, Science and Innovation ^(a)	-	203
Total contributions by owners	150	203
Balance at end of period	10,486	10,336

(a) Following Machinery of Government changes effective 1 July 2017, employee related provisions associated with local staff were transferred to the Department of Jobs, Tourism, Science and Innovation. Annual leave and long service leave liability transfers were accompanied by a cash payment to the Department and on-costs associated with leave provisions were transferred to the Department as a contribution by owners.



8.9 Supplementary financial information

(a) Write-offs

During the financial year, nil was written off Tourism WA's asset register under the authority of:

	2019 \$'000	2018 \$'000
The accountable authority	-	-
The Minister	-	-
Executive Council	-	-
	-	-

(b) Losses through theft, defaults and other causes

	2019 \$'000	2018 \$'000
Losses of public money and public and other property through theft or default	8	-
Amounts recovered	-	-
	8	-

A suspected cyber fraud incident occurred during the year resulting in the payment of \$7,500 (plus GST) to an unknown third party. The matter is still under investigation by the Victoria Police and it is not yet known whether the amount will be recovered.

(c) Gifts of public property

	2019 \$'000	2018 \$'000
Gifts of public property provided by Tourism WA	59	12
	59	12

8.10 Explanatory statement (controlled operations)

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018, are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$1.85 million (2% of prior year Total Cost of Services) for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$412,000 (2% of Total Assets budget estimate) for the Statement of Financial Position.

Estimates reported in this note represent original budget estimates. During the course of any given year, budgets are revised to account for new or adjusted Government initiatives through the whole-of-Government Mid Year Budget Review Process and other State Budget review processes. The tables below provide a summary comparison of original estimates and revised estimates for key Statement of Comprehensive Income items.

	ORIGINAL ESTIMATE 2019 \$'000	REVISED ESTIMATE 2019 \$'000	BUDGET MOVEMENT 2019 \$'000
2019 Key Budget Movements			
Total cost of services ^(a)	93,859	98,893	5,034
Net cost of services	92,569	97,504	4,935
Royalties for Regions Fund	15,492	16,432	940
Total income from State Government	92,744	97,432	4,688

Notes to the Financial Statements

For the year ended 30 June 2019

(a) Total cost of services – original estimate	93,859
Budget adjustments during the year:	
International Marketing Boost - additional funding/expenditure	2,750
Aviation and Market Development – additional funding/expenditure	1,740
Event Tourism – additional funding/expenditure for event sponsorship	700
Commonwealth funding for Aboriginal tourism initiatives	99
Royalties for Regions expenditure adjustments	(255)
Total budget adjustments during the year	5,034
Total cost of services – revised estimate	98,893



	VARIANCE NOTE	ORIGINAL ESTIMATE 2019 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	VARIANCE BETWEEN ESTIMATE AND ACTUAL \$'000	VARIANCE BETWEEN ACTUAL RESULTS FOR 2019 AND 2018 \$'000
STATEMENT OF COMPREHENSIVE INCOME						
COST OF SERVICES						
Expenses						
Employee benefits expense		459	369	406	(90)	(37)
Supplies and services	1, a	38,217	40,463	36,945	2,246	3,518
Depreciation and amortisation expense		692	604	546	(88)	58
Accommodation expenses		1,880	1,847	1,800	(33)	47
Grants and subsidies	b	800	1,381	4,507	581	(3,126)
Event operations expenses	2	31,366	26,137	27,144	(5,229)	(1,007)
Advertising and promotion expenses	3, c	20,445	29,504	21,265	9,059	8,239
Other expenses		-	1,105	-	1,105	1,105
Total cost of services		93,859	101,410	92,613	7,551	8,797
Income						
Revenue						
Commonwealth grants and contributions		-	99	1,382	99	(1,283)
Interest revenue		250	402	329	152	73
Other revenue		1,040	484	1,287	(556)	(803)
Total Revenue		1,290	985	2,998	(305)	(2,013)
Total income other than income from State Government		1,290	985	2,998	(305)	(2,013)
NET COST OF SERVICES						
		92,569	100,425	89,615	7,856	10,810
Income from State Government						
State grants and contributions	4, d	66,583	70,439	64,947	3,856	5,492
Services received free of charge		10,669	10,785	10,493	116	292
Royalties for Regions Fund	e	15,492	16,432	14,262	940	2,170
Total income from State Government		92,744	97,656	89,702	4,912	7,954
SURPLUS/(DEFICIT) FOR THE PERIOD						
		175	(2,769)	87		

Notes to the Financial Statements

For the year ended 30 June 2019

	VARIANCE NOTE	ORIGINAL ESTIMATE 2019 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	VARIANCE BETWEEN ESTIMATE AND ACTUAL \$'000	VARIANCE BETWEEN ACTUAL RESULTS FOR 2019 AND 2018 \$'000
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Current Assets						
Cash and cash equivalents		4,839	1,416	6,086	(3,423)	(4,670)
Restricted cash and cash equivalents		-	824	1,714	824	(890)
Receivables		2,171	1,206	1,683	(965)	(477)
Prepayments	5, f	4,796	10,597	7,524	5,801	3,073
Amounts receivable for services		475	475	475	-	-
Total Current Assets		12,281	14,518	17,482	2,237	(2,964)
Non-Current Assets						
Amounts receivable for services		6,954	5,570	6,045	(1,384)	(475)
Property, plant and equipment		163	206	264	43	(58)
Intangible assets		957	581	507	(376)	74
Other non-current assets		235	229	242	(6)	(13)
Total Non-Current Assets		8,309	6,586	7,058	(1,723)	(472)
TOTAL ASSETS		20,590	21,104	24,540	514	(3,436)
LIABILITIES						
Current Liabilities						
Payables		2,959	6,523	6,614	3,564	(91)
Provisions		59	123	79	64	44
Other current liabilities		2	-	770	(2)	(770)
Total Current Liabilities		3,020	6,646	7,463	3,626	(817)
NET ASSETS		17,570	14,458	17,077	(3,112)	(817)
EQUITY						
Contributed equity		10,433	10,486	10,336	53	150
Accumulated surplus/(deficit)		7,137	3,972	6,741	(3,165)	(2,769)
Total Equity		17,570	14,458	17,077	17,077	(2,769)

	VARIANCE NOTE	ORIGINAL ESTIMATE 2019 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	VARIANCE BETWEEN ESTIMATE AND ACTUAL \$'000	VARIANCE BETWEEN ACTUAL RESULTS FOR 2019 AND 2018 \$'000
STATEMENT OF CASH FLOWS						
CASH FLOWS FROM STATE GOVERNMENT						
State grants and contributions	4, d	65,891	69,739	64,947	3,848	4,792
Capital appropriation		150	150	-	-	150
Holding account drawdown		475	475	475	-	-
Royalties for Regions Fund	e	15,492	16,432	14,262	940	2,170
Transfer of leave liability	g	-	-	(2,215)	-	2,215
Net cash provided by State Government		82,008	86,796	77,469	4,788	9,327
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(459)	(372)	(605)	(87)	(233)
Supplies and services		(27,290)	(27,843)	(26,279)	553	1,564
Accommodation		(1,880)	(1,847)	(1,766)	(33)	81
Grants and subsidies	b	(800)	(1,383)	(4,477)	583	(3,094)
GST payments on purchases		(6,900)	(7,789)	(6,793)	889	996
Event operations payments	h	(31,366)	(30,763)	(26,192)	(603)	4,571
Advertising and promotion payments	3, c	(20,445)	(29,057)	(20,660)	8,612	8,397
Other payments		-	(1,266)	(164)	1,266	1,102
Receipts						
Commonwealth grants and contributions		-	99	1,382	99	(1,283)
Interest received		250	407	382	157	79
GST receipts on sales		60	413	106	353	307
GST receipts from taxation authority		6,840	7,416	6,952	576	464
Other receipts		782	255	1,752	(527)	(1,497)
Net cash used in operating activities		(81,208)	(91,730)	(76,416)	11,838	11,454
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(625)	(626)	(63)	1	563
Net cash used in investing activities		(625)	(626)	(63)	1	563
Net increase/(decrease) in cash and cash equivalents		175	(5,560)	990		
Cash and cash equivalents at the beginning of the period		4,664	7,800	6,810		
Cash and cash equivalents at the end of the period		4,839	2,240	7,800		

Notes to the Financial Statements

For the year ended 30 June 2019

Major Estimate and Actual (2019) Variance Narratives

1. Supplies and services expenditure was greater than estimated due to costs associated with hosting the Australian Tourism Exchange 2019 (which were classified as 'Advertising and promotion expenses' when estimates were prepared) as well as costs for narrative development, aviation advisory services and increased international marketing services that were not included in original estimates.
2. Event operations expenses were lower than the original estimate due to uncommitted funds being redirected during the year to marketing activities that are classified as 'Advertising and promotion expenses'.
3. Advertising and promotion expenses exceeded original estimates, and were greater than prior year, mostly as a result of additional Government funding received during the year for an international marketing boost and aviation/market development as well as funds redirected from other service areas to enhance marketing activities (see Note 2 above). These increases were offset against estimated costs for the Australian Tourism Exchange 2019 that were classified as 'Supplies and services' in the final accounts (see Note 1 above).
4. Additional State funding was received during the year for an international marketing boost and aviation/market development.
5. Prepayments at the end of 2019 are higher than originally anticipated, and greater than prior year, mostly due to payments for blockbuster events being held at Perth Stadium in July and August 2019.

Major Actual (2019) and Comparative (2018) Variance Narratives

- a) See Note 1 above.
- b) The decrease in 'Grants and subsidies' is mostly the result of finite programs that ended in the prior year: Royalties for Regions-funded programs (Caravan and Camping Action Plan and Regional Visitor Centres grant program); and the Commonwealth-funded Tourism Demand-Driver Infrastructure grant program.
- c) Advertising and promotion expenses were greater than prior year due to additional Government funding received for an international marketing boost and aviation/market development, funds redirected from other service areas to enhance marketing activities and supply costs associated with hosting the Australian Tourism Exchange 2019.
- d) State funding increased from the prior year largely due to additional funding received for an international marketing boost and aviation/market development. Some prior year funding was also deferred to 2019 in order to cover costs associated with hosting the Australian Tourism Exchange 2019.
- e) The increase in Royalties for Regions funding is the combined result of new programs, program expenditure changes and the cessation of programs. See Note 4.1 (b) in the notes to the financial statements for a breakdown of funded programs.
- f) See Note 5 above.
- g) Leave liability was transferred, in the prior year, to the Department of Jobs, Tourism, Science and Innovation, who is the employing authority for all Perth-based Tourism WA personnel (following Machinery of Government changes that became effective 1 July 2017).
- h) Event operations payments were greater than prior year mostly due to a higher level of event-related prepayments made in 2019.





Notes to the Financial Statements

For the year ended 30 June 2019

NOTE 9. ADMINISTERED DISCLOSURES

This section sets out all of the statutory disclosures regarding the financial performance of Tourism WA.

	Notes
Disclosure of administered income and expenses	9.1
Explanatory statement for administered items	9.2

9.1 Disclosure of administered income and expenses

	2019 \$'000	2018 \$'000
Income		
State grants and contributions	2,800	2,800
Total administered income	2,800	2,800
Expenses		
Grants and subsidies	2,800	2,800
Total administered expenses	2,800	2,800

Administered transactions represent expenditure, and corresponding funding from Government, to fund customs and immigration infrastructure requirements at Perth Airport as a result of direct flights between Perth and London. The Government has committed to \$14 million over five years commencing in 2017-18.

9.2 Explanatory Statement for administered items

Performance between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018, is shown below. There were no variances for the year.

ADMINISTERED ITEMS	VARIANCE NOTE	ORIGINAL ESTIMATE 2019 \$'000	ACTUAL 2019 \$'000	ACTUAL 2018 \$'000	VARIANCE BETWEEN ESTIMATE AND ACTUAL \$'000	VARIANCE BETWEEN ACTUAL RESULTS FOR 2019 AND 2018 \$'000
Income						
State grants and contributions		2,800	2,800	2,800	-	-
Total administered income		2,800	2,800	2,800	-	-
Expenses						
Grants and subsidies		2,800	2,800	2,800	-	-
Total administered expenses		2,800	2,800	2,800	-	-

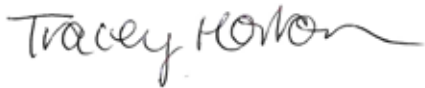
4.3 KEY PERFORMANCE INDICATORS

Certification of Key Performance Indicators for the Year Ended June 30, 2019

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Tourism Commission's performance, and fairly represent the performance of the Western Australian Tourism Commission for the financial year ending June 30, 2019.



Nathan Harding
CHAIRMAN
30 August 2019



Tracey Horton
COMMISSIONER
30 August 2019

Kings Park, Perth



Key Performance Indicators

The following Key Performance Indicators (KPIs) were developed in consultation with the Department of Treasury and the Office of the Auditor General (OAG). These KPIs came into effect in July 2015 and this is the fourth year they have been reported on. These changes occurred to more closely align Agency KPIs with government goals. Where results are available and comparable, actuals for historical years have been provided.

The government goal that is supported by Tourism WA is: "Future Jobs and Skills: Grow and diversity the economy, create jobs, and support skills development."

The desired outcome supporting this is: "Increased competitiveness and viability of the Western Australian tourism industry." 'Competitiveness' reflects the fact Western Australia faces real product competition with other interstate and overseas destinations. Tourism industry 'viability' is secured when it is characterised by profitability and new investment whilst being sensitive to community views and environmental concerns.

The KPIs provide an indication of whether Tourism WA has achieved this outcome. Tourism WA has two types of KPIs.

Key Effectiveness Indicators

Key Effectiveness Indicators assist with the assessment of agency performance in the achievement of government desired outcomes..

Key Efficiency Indicators

Key Efficiency Indicators assist with the assessment of agency service delivery. They monitor the relationship between the service delivered and the resources used to produce the service.



Key Effectiveness Indicators

1. Total dollar amount spent by visitors in Western Australia

This KPI measures the result of successfully promoting Western Australia as a visitor destination and facilitating visitation through cooperative marketing campaigns and aviation access development. While Tourism WA does not directly control inbound visitor numbers, they are influenced by the agency's activities.

	2018-19 TARGET	RESULTS			
		2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL	2015-16 ACTUAL
KPI 1					
Total dollar amount spent by visitors in Western Australia	\$10.0 billion	\$9.6 billion	\$9.1 billion	\$10.0 billion	\$9.6 billion

Notes:

- Spend information is sourced from the Regional Expenditure data, provided by Tourism Research Australia (TRA). The expenditure figures are based on responses from TRA's National Visitor Survey (NVS) and International Visitor Survey (IVS) for the visitor's entire trip. The Regional Expenditure model allocates visitor expenditure to specific tourism regions to determine spend estimates for each of Australia's states.
- The results of the NVS and IVS, including the Regional Expenditure data, are released by TRA each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2018 in this instance). YE December information is used as it is usually available ahead of each year's State Budget process.
- The NVS figures are based on a large scale survey of Australians, while the IVS figures are based on interviews with international visitors at airport departure lounges across Australia.
- Overnight Domestic Visitors Definition: Australian residents aged 15 years and over who spent at least one night away from home in Western Australia.
- Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in Western Australia.
- Visitors include those travelling for all purposes including leisure, business, visiting friends and relatives and education.
- Sample size for Western Australia: daytrips n=2,816; interstate n=677; intrastate n=4,105; international n=5,767.
- Confidence intervals for Western Australia: daytrips $\pm 1.85\%$; interstate $\pm 3.77\%$; intrastate $\pm 1.53\%$; international $\pm 1.29\%$. These confidence intervals are calculated by Tourism WA based on total sample sizes
- The response rate for the International Visitor Survey is 60% and the National Visitor Survey is 31%.
- The 2017-18 result differs to that previously reported. This is because TRA have revised the NVS estimates for 2017 onwards to reflect revised population estimates from the Australian Bureau of Statistics, which the NVS estimates are weighted against.
- The 2018-19 target is not comparable to the actual result for 2018-19. When the target for 2018-19 was set, the result reported for 2017-18 was \$9.6 billion, and the 2018-19 target was to grow total visitor spend by \$0.4 billion to \$10.0 billion. Since the target was set, TRA have revised the result for 2017-18 downwards to \$9.1 billion (see note (x) above). While the target for 2018-19 has not been met, visitor spend in WA did see growth of \$0.5 billion year on year.

2. Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia

In order to build a strong market base, WA as a destination must at least meet visitor expectations, if not exceed them.

This KPI measures the effectiveness of strategies being employed by Tourism WA and the tourism industry to develop and improve tourism product (including awareness, access, accommodation, amenities and attractions).

	2018-19 TARGET	RESULTS			
		2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL	2015-16 ACTUAL
KPI 2					
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.8%	98.5%	99.0%	97.8%

Notes:

- Visitor expectations are measured through the Visitor Expectation and Experience Research.
- This is conducted through a face-to-face survey of intrastate, interstate and international visitors to WA.
- Interviewing takes place across the full year to address seasonality issues. Data is analysed and reported annually.
- The KPI measure is based on a sample size of n=400 visitors for 2018-19.
- This was made up of n=136 intrastate, n=126 interstate and n=138 international visitors.
- The response rate for 2018-19 was 85%.
- The confidence interval for the sample of n=400 interviews is $\pm 5\%$ ($\pm 4.9\%$) at the 95% confidence level. This confidence interval is based on total sample size.
- The 2018-19 and prior year's targets have been set on the premise that at least nine out of 10 visitors to/within Western Australia should say their holiday met or exceeded their expectations.

3. Value of cooperative marketing funds provided by the tourism industry

This KPI measures Tourism WA's success in encouraging the tourism industry to integrate into the State Government's destination marketing activities, thereby achieving greater leverage of government funding and better outcomes for the State's tourism industry.

Tourism WA allocates a sum of money each year that is available to industry when they participate in cooperative marketing campaigns, where the tourism operator and the agency match funds on the campaign. The industry operator also uses the Experience Extraordinary branding as part of the agreement. This KPI details the amount of money that the tourism industry puts into marketing campaigns, alongside the agency's funds. This cooperative marketing approach provides significant benefits for the destination and the Western Australian tourism industry generally.

	2018-19 TARGET	RESULTS			
		2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL	2015-16 ACTUAL
KPI 3					
Value of cooperative marketing funds provided by the tourism industry	\$7.5 million	\$15.1 million	\$9.9 million	\$8.7 million	\$6.9 million

Notes:

Domestic cooperative marketing

- i. The domestic cooperative marketing program targets airlines, wholesalers, retailers, direct sell agents, and online travel agents to undertake joint campaigns with Tourism WA for WA product.
- ii. A national Expression of Interest (EOI) process is undertaken by Tourism WA each year to secure relevant trade partners in cooperative campaign activity for the domestic market.
For those partners approved for funding, Tourism WA shares the brand campaign strategy and media buy details to allow partner alignment where possible with WA brand bursts. Domestic marketing leverages the distribution partner relationships across a number of campaign platforms including niche digital marketing (WA landing pages), eDM, sharing of rich media assets, trade communications and incentives (retail agents), social marketing, destination content and PR strategies and holiday deals on westernaustralia.com.

International cooperative marketing

- iii. International cooperative marketing enables Tourism WA to leverage further economic benefit for the State through increased visitation, spend and brand awareness by working with selected partners in key source markets.
- iv. Tourism WA's International Market Managers identify cooperative opportunities with airlines, wholesalers, retailers and non-traditional partners and undertake joint campaigns in the United Kingdom, Germany, Singapore, Malaysia, Indonesia, China, Hong Kong, Japan, New Zealand, the USA and India.
- v. Tourism WA's participation in cooperative marketing activities in these international markets is evaluated based on the potential return on investment and alignment to the State's tourism brand. In joint brand promotions, Tourism WA's funding contribution is generally matched dollar for dollar and aims to promote regional dispersal and introduce new products to the market where possible.

Combined total

- vi. The actual result for 2018-19 is significantly greater than the actual for 2017-18, and greater than the target set for 2018-19, largely due to additional Tourism WA investment into marketing activity (that was not allocated to marketing activity when the target was set) that enabled Tourism WA to seek additional partner contributions. This included a \$3 million investment into Singapore, Hong Kong, and Malaysia as part of Tourism WA's International Marketing Boost initiative.



4. Direct economic impact of major events sponsorship

This KPI measures the result of attracting events to, and supporting events in, the State. This KPI measures how much money is generated for the WA economy as a result of hosting major events in WA, financially sponsored by Tourism WA.

	2018-19 TARGET	RESULTS			
		2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL	2015-16 ACTUAL
KPI 4					
Direct economic impact of major events sponsorship	\$50 million	\$52.3 million	\$56.8 million	\$56.8 million	\$33.2 million

Major events definition

- i. Major events are defined as either 1.) an event whose sponsorship value from Tourism WA is \$500,000 or more or 2.) the event is expected to generate a significant economic impact for the WA economy.

Direct economic impact

- ii. Direct economic impact is defined as the amount of new money that enters the WA economy as a direct result of an event (i.e. the money would not enter the economy if the event was not held). That is any event related spend in the State by non-WA individuals and organisations, minus any spend outside of the State by WA individuals and organisations. For events held in the State specifically for Western Australians to attend, an independent measure of the local economic activity generated by the event is determined. This represents the amount of event-related spend by WA individuals that flows through the WA economy.
- iii. The two measures used to determine direct economic impact are as follows:
 - State Economic Impact (SEI)** – money into the State economy (inbound measure, interstate and international – including participants, spectators and organisers)
 - Regional Economic Impact (REI)** – money into the region/moving around the State economy (intrastate measure)
- iv. SEI and REI are mutually exclusive because they are applied to different events. No event has both SEI and REI applied to it.
- v. The economic impact is based on the most recently completed studies for the events. Multi-year events have a study conducted at least once every three years. Studies are conducted for all one-off events. If a significant change is made to a multi-year event, a study is conducted.
- vi. The actual result for 2018-19 has exceeded the target set. This is primarily because nine events are in scope for reporting, but only eight of those events were confirmed when the target was set.

5. Direct media impact of major events sponsorship

This KPI measures how much media equivalent value is generated as a result of hosting major events that are financially supported by Tourism WA.

The current definition of media impact includes the Advertising Equivalent Value (AEV) of the exposure of Western Australian tourism imagery and branding within television production and traditional periphery media (e.g. print, radio). It does not include social media.

Tourism WA's media and event strategies are targeted at a variety of digital media channels, and produce high levels of exposure through these platforms, including social media.

	2018-19 TARGET	RESULTS			
		2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL	2015-16 ACTUAL
KPI 5					
Direct media impact of major events sponsorship	\$110 million	\$167.3 million	\$122.3 million	\$156 million	\$139.4 million

Major events definition

- i. Major events are defined as either 1.) an event whose sponsorship value from Tourism WA is \$500,000 or more or 2.) the event is expected to generate a significant media impact for the State.

Media Impact

- ii. **Media Impact (MI)** is defined as 1.) the dollar value of Western Australian tourism imagery and branding (including video postcards of WA tourism destinations, verbal commentary mentions about the destination, on-screen graphics and signage) integrated into television production related to the events plus 2.) the dollar value of the number of mentions of Western Australia in traditional periphery media (e.g. print, radio etc) as a result of the event.
- iii. It is measured by independent media evaluation companies. In line with the rest of the agency, 100% of the Advertising Equivalent Value (AEV) is counted.
- iv. The media impact is based on the most recently completed studies for the events. Multi-year events have a study conducted at least once every three years. Studies are conducted for all one-off events. If a significant change is made to a multi-year event, a study is conducted.
- v. The 2018-19 actual result is significantly more than the target set for 2018-19 primarily due to an increase in signage received, which impacted brand visibility in the assessment of media value, as well as increased media coverage. In addition, nine events are in scope for reporting but only eight of those events were confirmed when the target was set.

Key Efficiency Indicators

6. **Destination Marketing administrative costs as a proportion of Total Cost of Services allocated to Destination Marketing**
7. **Events Tourism administrative costs as a proportion of Total Cost of Services allocated to Events Tourism**
8. **Tourism Destination Development administrative costs as a proportion of Total Cost of Services allocated to Tourism Destination Development**

These KPIs indicate the overall administrative cost to implement Tourism WA's various outward facing programs (i.e. Destination Marketing, Events Tourism and Tourism Destination Development). They demonstrate focus on maximising the amount of State Government funding invested in stimulating tourism demand and addressing supply constraints.

	2018-19 TARGET	RESULTS			
		2018-19 ACTUAL	2017-18 ACTUAL	2016-17 ACTUAL	2015-16 ACTUAL
KPI 6					
Destination Marketing administrative costs as a proportion of Total Cost of Services allocated to Destination Marketing	21%	20%	21%	23%	29%
KPI 7					
Events Tourism administrative costs as a proportion of Total Cost of Services allocated to Events Tourism	10%	12%	10%	14%	15%
KPI 8					
Tourism Destination Development administrative costs as a proportion of Total Cost of Services allocated to Tourism Destination Development	63%	43%	31%	34%	39%

- i. The percentage shown is the cost of service division overheads and corporate overheads allocated to the service division divided by total cost of services for the division.
- ii. Allocation of the cost of corporate and executive services to each service division is determined by the proportion of FTE numbers in each division.
- iii. The 2018-19 actual is significantly less than the target for KPI 8 due to an increase in Destination Development activity budget during the year without an increase to administrative overheads.



4.4 MINISTERIAL DIRECTIVES

Section 16 (2) of the *Western Australian Tourism Commission Act 1983* requires that the text of any written directions from the Minister are to be recorded in the annual report. There were no such directions received in 2018-19.

4.5 OTHER FINANCIAL DISCLOSURES

4.5.1 Capital works

Tourism WA continued its asset replacement program in 2018-19. This included the replacement of information and communication technology equipment and other office equipment.

4.5.2 Employment and industrial relations

OUR PEOPLE

As a result of Machinery of Government changes effective from 1 July 2017, the Department of Jobs, Tourism, Science and Innovation became the employing authority of Tourism WA personnel. The Department provides personnel to Tourism WA to undertake operational activities. As at 30 June 2019, 88.7 full time equivalents (FTEs) were assigned to Tourism WA. Of these employees, 78% are female and 22% male. Women continue to be well represented in the senior leadership team of Tourism WA (Tiers 1 – 3) comprising 71% of this group.

	2017-18		2018-19	
	MALE	FEMALE	MALE	FEMALE
Tier 1,2 and 3 FTE	7.6	17.5	7.6	19
Tier 1,2 and 3 %	30%	70%	29%	71%
Total agency FTE	20.4	63.7	19.6	69.1
Total agency %	24%	76%	22%	78%

Notes:

Full time equivalents (FTE) employees assigned to Tourism WA as at 30 June 2019. The above does not include employees on extended unpaid leave.

Tier 1,2 & 3 represents Tiers for Tourism WA, with the Managing Director-Tourism WA as Tier 1.

Staff development

The Department of Jobs, Tourism, Science and Innovation provides human resource services to Tourism WA and has supported staff development through various initiatives including:

- Leadership capability for different levels was enhanced with staff successfully gaining places in the 2019 Public Sector Management Program and the 2019 CEDA Copland Leadership Program.
- The newly developed Work Development Plans were rolled out and managers and staff were provided training to support constructive conversations.
- Mentoring Program was launched in March 2019 with 13 staff participating from across the department.
- Women at different levels in the agency participated in the CEDA Women in Leadership event in March 2019, and 20 JTSI staff attended International Women's Day Events hosted by Engineers Australia and the Chamber of Commerce and Industry WA.
- Following on from the 2018 Public Sector Commission's Employee Perception Survey at JTSI, staff focus groups were held to identify a range of strategies which are being developed and many implemented already.



COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The management of employees is undertaken in accordance with the public sector standards in human resource management and approved public sector policies and procedures.

During 2018-19, one breach claim against the public sector standards was received and found to be unsubstantiated. No reports of non-compliance were lodged with respect to the Code of Ethics or the Department of Jobs, Tourism, Science and Innovation Code of Conduct.

Tourism WA is committed to fostering a culture of ethical behaviour and ensuring the highest standards of integrity and transparency in all interactions. Policies are available to all employees, including Code of Conduct and Conflict of Interest Policy. Employees are aware there is an obligation to disclose interests that could reasonably create a perception of bias, or an actual conflict of interest.

During 2018-19, Tourism WA worked with the Department to integrate and consolidate human resource management policies and procedures to ensure they met legislative and governance responsibilities in regards to managing people across the business.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Tourism WA is committed to providing and maintaining a safe and healthy working environment for all assigned personnel, vocational students, contractors and visitors.

The Department of Jobs, Tourism, Science and Innovation provides human resource services including workplace safety and health to Tourism WA. A review of current occupational safety and health policies and programs, including Injury Management, is underway to develop a common integrated occupational safety and health framework that meets Tourism WA's duties under the Occupational Safety and Health Act 1984. An audit of Tourism WA's Occupational Health and Safety management system was undertaken in August 2018. One improvement opportunity was identified and has been considered as part of the department's review.

A health and wellness program has been offered across the Department, providing the opportunity for participation to improve health benefits. These have included flu vaccination, and therapeutic massage at the employees expense. Free counselling to personnel and immediate family is also offered through Employee Assistance providers. First Aid training was offered to staff, with 20 staff participating and a further 15 staff undertaking CPR refresher training.

The Tourism WA Occupational Safety and Health Committee meets quarterly and provides a key occupational safety and health consultative mechanism within Tourism WA. All members are accessible to both management and employees in the discussion and resolution of occupational safety and health issues and related matters.



Performance indicators for 2018-19

(for Department employees assigned to Tourism WA only)

MEASURE	2016-17 ACTUAL	2017-18 ACTUAL	2018-19 ACTUAL	2018-19 TARGET	COMMENTS TOWARDS TARGETS
Number of fatalities	0	0	0	0	Achieved
Lost time injury and/or disease incidence rate	0	0	1.1%	0 or a 10% reduction	Not achieved
Lost time injury and severity rate	0	0	0	0 or a 10% reduction in severity rate	Achieved
Lost time injury and severity rate	0	0	0	0 or a 10% reduction in severity rate	Achieved
Percentage of injured workers returned to work (i) within 13 weeks	N/A	N/A	100%	Greater than or equal to 80%	Achieved
Percentage of injured workers returned to work (ii) within 26 weeks	N/A	N/A	100%	Greater than or equal to 80%	Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years.	69%	68%	0	Greater than or equal to 80%	Not achieved. Training for managers is planned for 2019-20

Workers' compensation

Through the Department, Tourism WA complies with the *Worker Compensation and Injury Management Act 1981* with a focus on the employee being able to return safely to meaningful work following illness or injury. Advice and support to employees and line managers is provided by Human Resources on a proactive basis following the reporting of any occupational safety and health incidents and is tailored to the individual circumstances.

4.6 GOVERNANCE DISCLOSURES

Shares in another body

Tourism WA holds shares in the Australian Tourism Data Warehouse Pty Ltd. Details are provided at Note 5.6 of the Financial Statements.

Unauthorised use of credit cards

Personnel assigned to Tourism WA hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under Tourism WA's credit card policy, 19 employees inadvertently used the corporate credit card for various purchases where the expense was not for business purposes. The incidences were not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2019 \$
Aggregate amount of personal use expenditure for the reporting period	1,405
Aggregate amount of personal use expenditure settled by the due date (within five working days)	1,033
Aggregate amount of personal use expenditure settled after the period (after five working days)	372
Aggregate amount of personal use expenditure outstanding at balance date	-

Senior officer interests

During the year, Tourism WA entered into transactions with an entity in which a senior officer is also a Director, Partner or member of the Executive. All transactions occurred within normal supplier relationships on terms and conditions no more favourable than those that would be adopted if dealing at arm's length.

SENIOR OFFICER	POSITION HELD	SUPPLIER	TOTAL AMOUNT (EXCLUDING GST)
Manny Papadoulis	Deputy Chairman	Australia's Coral Coast	769,118
Kevin Brown	Commissioner	Perth Airport Pty Ltd	96,861
Linda Wayman	Commissioner	Western Australian Sports Centre Trust trading as VenuesWest/Optus Stadium	4,287,075

Board remuneration

Remuneration of the Board of Commissioners of the Western Australian Tourism Commission in 2018-19 was as follows:

POSITION	NAME	PERIOD OF MEMBERSHIP	REMUNERATION
Chairman	Nathan Harding	1 July 2018 to 30 June 2019	64,240
Deputy Chairman	Manny Papadoulis	1 July 2018 to 30 June 2019	40,901
Commissioner	Dianne Bain	14 May 2019 to 30 June 2019	4,803
Commissioner	Kevin Brown*	1 July 2018 to 30 June 2019	-
Commissioner	Valerie Davies	1 July 2018 to 30 June 2019	36,728
Commissioner	Kia Dowell	1 July 2018 to 30 June 2019	36,587
Commissioner	Tracey Horton	1 July 2018 to 30 June 2019	36,728
Commissioner	Karen Priest	1 July 2018 to 30 June 2019	36,728
Commissioner	Ian Thubron	1 July 2018 to 1 May 2019	37,270
Commissioner	Linda Wayman	1 July 2018 to 30 June 2019	43,778
Total			337,763

All members are paid a set annual fee. Remuneration includes superannuation and any allowances and non-cash benefits provided.

*Commissioner fees for Kevin Brown of \$33,650 were paid directly to Perth Airport Pty Ltd.

Annual estimates

STATEMENT OF COMPREHENSIVE INCOME

COST OF SERVICES

Expenses

Employee benefits expense	411
Supplies and services	40,967
Depreciation and amortisation expense	2,042
Accommodation expenses	562
Grants and subsidies	800
Event operations expenses	31,300
Advertising and promotion expenses	25,500
Other expenses	177

Total cost of services

101,759

Income

Revenue

Commonwealth grants and contributions	14
Interest revenue	250
Other revenue	800

Total Revenue

1,064

Total income other than income from State Government

1,064

NET COST OF SERVICES

100,695

Income from State Government

State grants and contributions	74,381
Services received free of charge	11,840
Royalties for Regions Fund	13,476

Total income from State Government

99,697

DEFICIT FOR THE PERIOD

(998)

**2019-20
ESTIMATE
\$'000**



Annual estimates (continued)

	2019-20 ESTIMATE \$'000
STATEMENT OF FINANCIAL POSITION	
ASSETS	
Current Assets	
Cash and cash equivalents	4,029
Receivables	1,683
Prepayments	7,200
Amounts receivable for services	475
Total Current Assets	13,387
Non-Current Assets	
Amounts receivable for services	5,095
Property, plant and equipment	4,186
Intangible assets	918
Other non-current assets	242
Total Non-Current Assets	10,441
TOTAL ASSETS	23,828
LIABILITIES	
Current Liabilities	
Payables	3,000
Leases	4,484
Provisions	79
Total Current Liabilities	7,563
TOTAL LIABILITIES	7,563
NET ASSETS	16,265
EQUITY	
Contributed equity	10,636
Accumulated surplus	5,629
TOTAL EQUITY	16,265



	2019-20 ESTIMATE \$'000
STATEMENT OF CASH FLOWS	
CASH FLOWS FROM STATE GOVERNMENT	
State grants and contributions	74,381
Capital appropriation	150
Holding account drawdown	475
Royalties for Regions Fund	13,476
Net cash provided by State Government	88,482
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(411)
Supplies and services	(29,102)
Accommodation	(562)
Grants and subsidies	(800)
GST payments on purchases	(7,000)
Event operations payments	(28,000)
Advertising and promotion payments	(25,500)
Other payments	(177)
Receipts	
Commonwealth grants and contributions	14
Interest received	250
GST receipts on sales	60
GST receipts from taxation authority	6,940
Other receipts	775
Net cash used in operating activities	(83,513)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments	
Purchase of non-current assets	(1,036)
Net cash used in investing activities	(1,036)
Net increase in cash and cash equivalents	2,969
Cash and cash equivalents at the beginning of the reporting period	1,060
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	4,029

Annual estimates (continued)

	2019-20 ESTIMATE \$'000
STATEMENT OF COMPREHENSIVE INCOME - ADMINISTERED	
COST OF SERVICES	
Expenses	
Grants and subsidies	2,800
Total cost of services	2,800
Income from State Government	
State grants and contributions	2,800
Total income from State Government	2,800
SURPLUS/(DEFICIT) FOR THE PERIOD	-

	2019-20 ESTIMATE \$'000
STATEMENT OF CASH FLOWS - ADMINISTERED	
CASH FLOWS FROM STATE GOVERNMENT	
State grants and contributions	2,800
Net cash provided by State Government	2,800
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Grants and subsidies	(2,800)
Net cash used in operating activities	(2,800)
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the reporting period	-
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	-



4.7 OTHER LEGAL REQUIREMENTS

Expenditure on advertising, market research, polling and direct mail

In accordance with Section 175ZE of the *Electoral Act 1907*, Tourism WA incurred the following expenditure in advertising, market research, polling and direct mail.

	2018-19 \$'000		2018-19 \$'000
(a) Advertising agencies	2,325	(e) Media advertising organisations	
(b) Market research organisations	1,638	Asia Travel Media Limited	17
(c) Polling organisations	-	Big Head Digital	87
(d) Direct mail organisations	-	Brandpoint	5
(e) Media advertising organisations	8,040	Buzz Marketing	15
	12,003	Carat Australia Media Services Pty Ltd	6,879
(a) Advertising agencies		CMMA Digital & Print Pty Ltd	3
Cummins & Partners	2,325	Commoner Media Pty Ltd	4
	2,325	Initiative Media Australia Pty Ltd	474
(b) Market research organisations		Media Equation Pty Ltd	42
BDA Marketing Planning Pty Ltd	169	Nine Network Australia Pty Ltd	39
Faster Horses Pty Ltd	103	Seven Network (Operations) Limited	263
Isentia Pty Ltd	81	Story(ation) Pty Ltd	119
Kantar Malaysia SDN BHD	31	The Brand Agency Unit Trust	48
Metrix Consulting Pty Ltd	688	The KP Collective	37
Nielsen Sports Pty Ltd	143	Travmedia.Com Pty Ltd	8
STR Global Ltd	10		8,040
Taylor Nelson Sofres Australia Pty Ltd	246		
The Lab Insight & Strategy Melbourne Pty Ltd	81		
Thing! X Innovations Inc	35		
Thinkfield	24		
Velrada Capital Pty Ltd	27		
	1,638		



4.8 GOVERNMENT POLICY REQUIREMENTS

Disability Access and Inclusion Plan outcomes

Tourism WA's Disability Access and Inclusion Plan (DAIP) is in accordance with the legislative framework. The seven desired outcomes in the DAIP are supported by strategies to address the gaps identified in meeting the legislative requirements.

The strategies are also informed by the review and consultation undertaken in preparation of the plan. A five-year (2017-2021) Disability Access and Inclusion Plan (DAIP) has been implemented by Tourism WA and includes all outcomes required under the legislation.

During 2018-19, the following activities were progressed:

Outcome 1 - People with disabilities have the same opportunities as other people to access the services of, and any events organised by, Tourism WA.

Tourism WA is proud of its world-class events and the appeal these events have to national and international visitors. The event holders of all events sponsored by Tourism WA are required to use their best endeavours to ensure that, in respect to the event, they facilitate the desired access and inclusion outcomes expressly or implicitly set out in the Disability Access and Inclusion Plan of Tourism WA. Specifically, the event holder must do all things reasonable to ensure that there are sufficient facilities at the venue for persons with disabilities to attend and maximise their enjoyment of the event.

Outcome 2 - People with disabilities have the same opportunities as other people to access the buildings and other facilities of Tourism WA.

Tourism WA maintains its Perth offices to facilitate ease of access for all people and always ensures that advice is sought when planning and designing any facilities or undertaking major refurbishments.

Outcome 3 - People with disabilities receive information from Tourism WA in a format that will enable them to access the information as readily as other people are able to access it.

Tourism WA encourages people to contact the agency if they require information in alternative formats. This message is provided on both the corporate and consumer websites.

Tourism WA also continues to improve and upgrade its website to facilitate stronger alignment with current standards.

All new online information and functionality implemented by Tourism WA is developed in line with best practice for people with disabilities wherever possible.

Outcome 4 - People with disabilities receive the same level and quality of service from staff as other people receive.

Staff members who interact with the public receive awareness training to enable them to assist visitors with a disability.



Outcome 5 - People with disabilities have the same opportunities as other people to make complaints to Tourism WA.

All existing complaint mechanisms meet the needs of people with disabilities. Tourism WA's website provides a variety of feedback mechanisms for people with disabilities to lodge grievances and comment on tourism-related matters.

Outcome 6 - People with disabilities have the same opportunities as other people to participate in any public consultation by Tourism WA.

When required, Tourism WA seeks public consultation directly and through survey organisations and other research bodies.

Tourism WA reminds all staff and survey organisations of this requirement under the DAIP, including the ability to provide the same opportunities for people with disabilities to be involved in any public consultation.

Outcome 7 - People with disabilities have the same opportunities as other people to be employed by the Department of Jobs, Tourism, Science and Innovation.

The Department of Jobs, Tourism, Science and Innovation's recruitment and employment policies and practices reflect the aim of having a diverse workforce. The department also captures accurate demographic and disability data from its employees.

Record-keeping plan

The *State Records Act 2000* requires Tourism WA to have a record-keeping plan and to comment in the annual report on compliance with the plan.

Tourism WA's current record-keeping plan, along with the record retention and disposal authority and record-keeping policies, has been approved by the State Records Commission.

The plan acknowledges Tourism WA's responsibility to ensure all employees are aware of their compliance responsibilities and provided with training in these areas.

In accordance with State Records Standards, Standard 2, Principle 6 the following compliance information is provided:

Staff Training and Awareness

Tourism WA staff receive induction and ongoing training in relation to the agency's record-keeping policies, practices and procedures.

Focused training sessions are scheduled monthly and available to all staff. In addition to this training, experienced Information Management staff are available to provide recordkeeping advice and EDRMS training on a one-on-one, ad hoc or project basis.

Information Management staff receive regular specialist external training such as the Freedom of Information Coordinator workshops.

Fact sheets have been created for staff training purposes and are available on the corporate intranet and through a corporate User Label within HPE Content Manager.

Staff communications on Records Management or the Records System are provided regularly.

Online induction project is currently underway to provide self-paced records awareness and system training.

Performance Indicators

Performance indicators on the efficiency and effectiveness of recordkeeping programs and systems are submitted to the Chief Information Officer on a monthly basis.

Reported statistics include record creation by business area; 5 year comparisons; action tracking and workflow activity summaries; user activity; user requests; system maintenance tasks; and archive management.

Evaluation of Recordkeeping systems

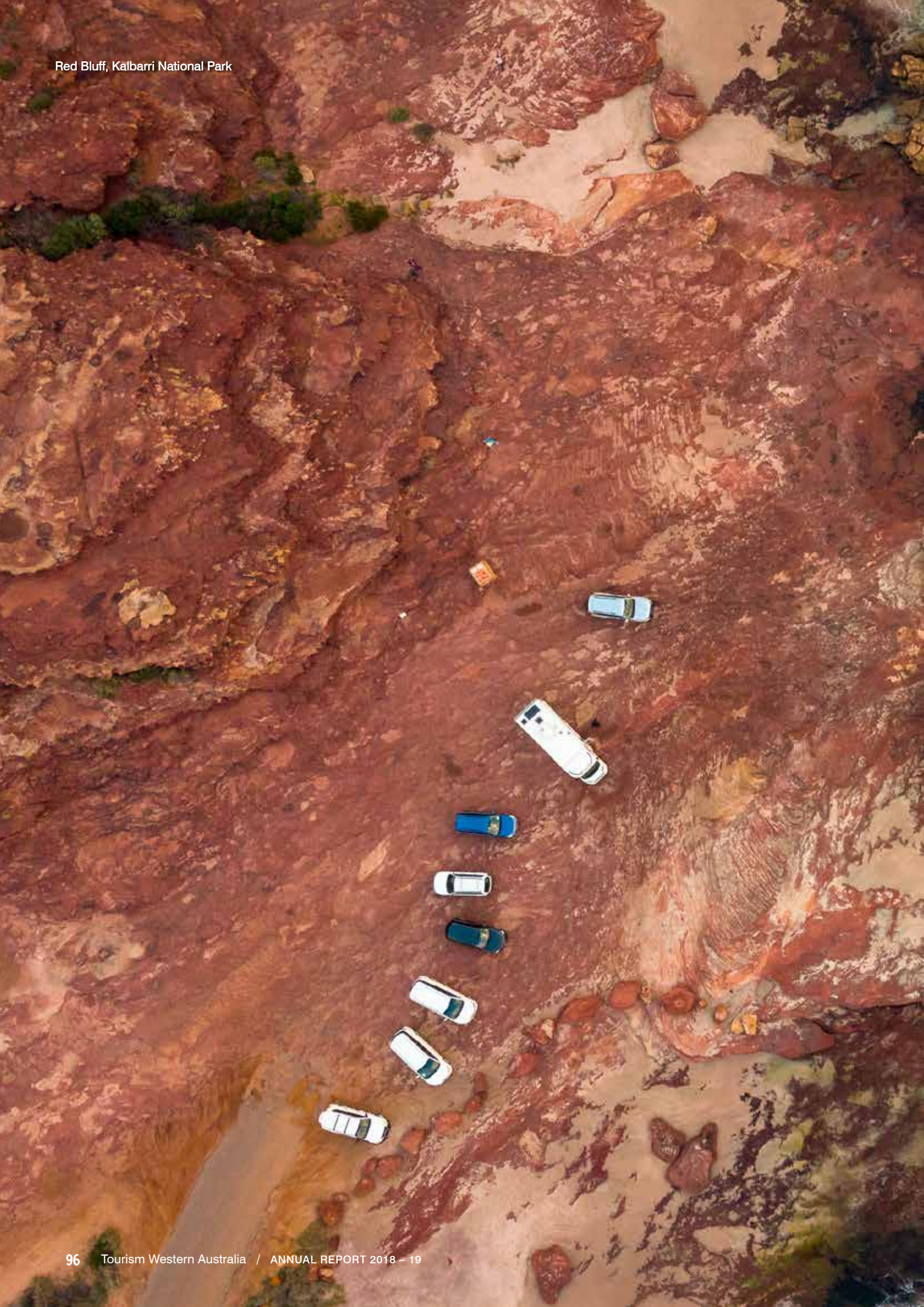
A compliance audit program is in place to audit Tourism WA against the recordkeeping plan every three years.

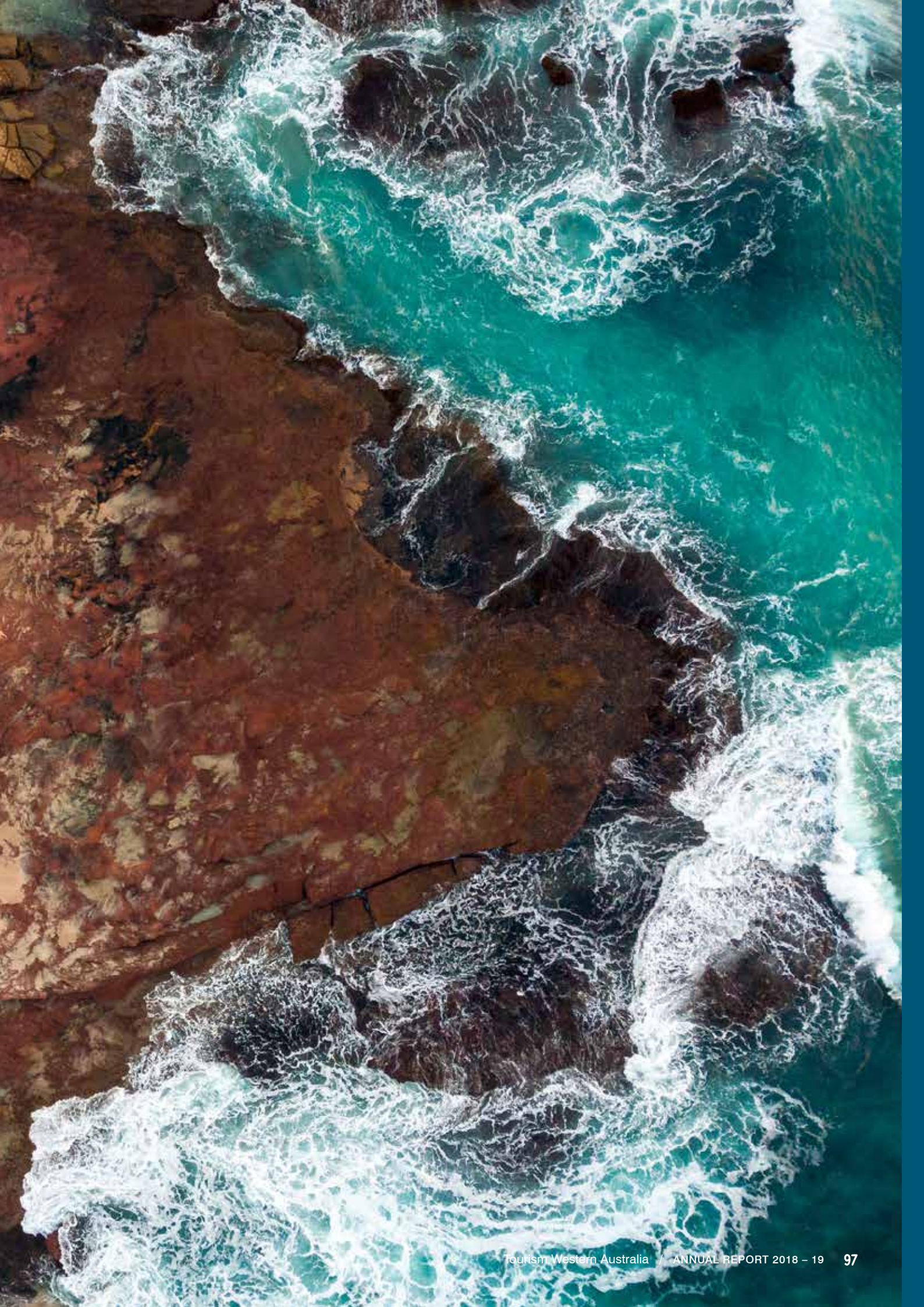
Maintaining the system infrastructure at latest release levels to ensure equivalence with required standards

Regularly auditing the use of the recordkeeping system to ensure its effectiveness and efficiency in meeting compliance and operational requirements as well as the use of new functionality

A review of the retention and disposal procedure was undertaken in 2017/18. As a result, the disposal process was updated taking advantage of the workflow functionality within the recordkeeping system.

Under Section 28 of the *State Records Act 2000*, no more than five years must elapse between the recordkeeping plan and its review. The current record-keeping plan was approved in 2018 and applies until 2022.





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