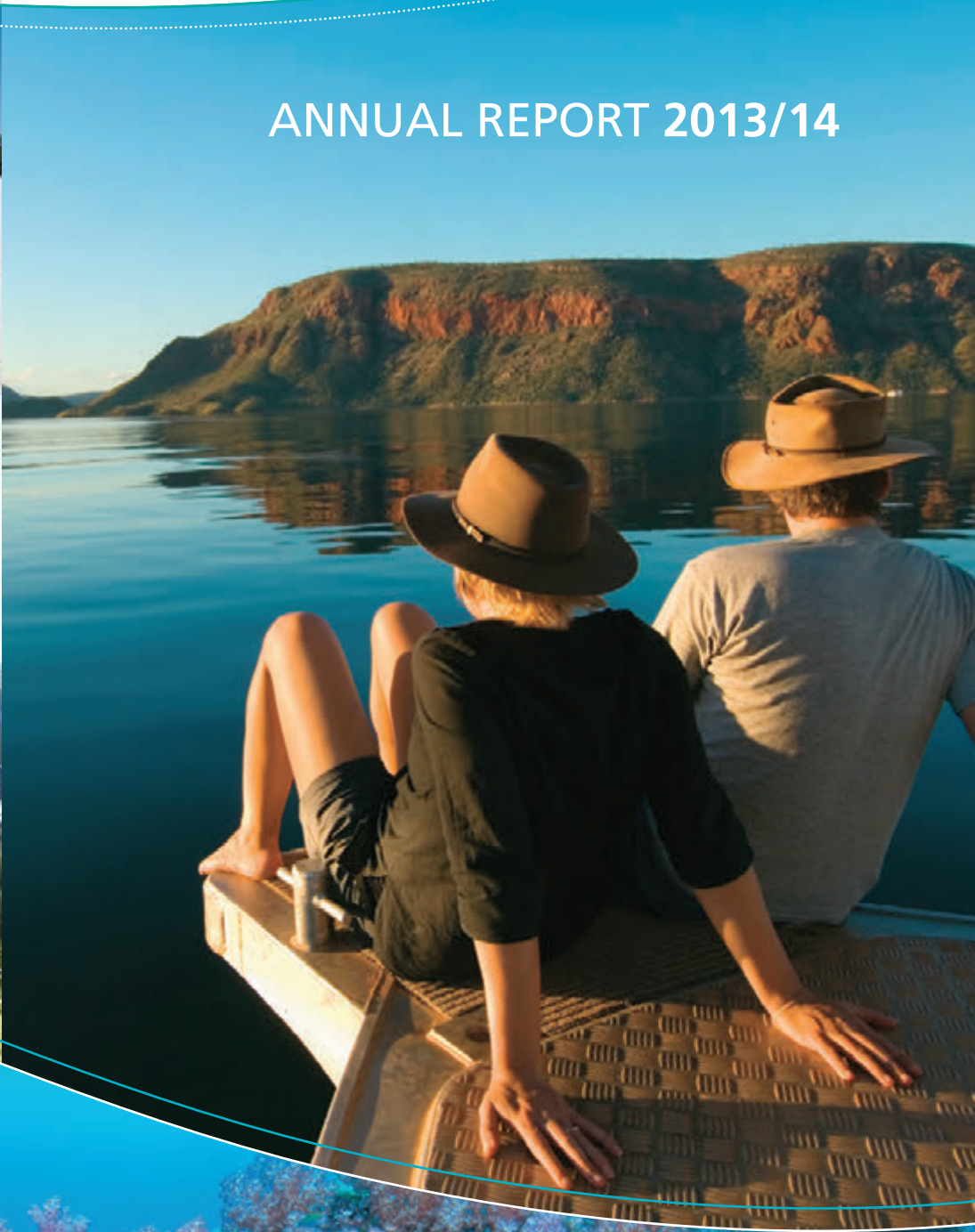




WESTERN AUSTRALIA

ANNUAL REPORT 2013/14





Kings Park, Perth



**Western Australia's
tourism industry
contributes \$8 billion
to the State's economy.**

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MESSAGE TO THE MINISTER

To The Honourable Liza Harvey 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 30 June 2014.

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



Peter Prendiville
CHAIRMAN
WESTERN AUSTRALIAN TOURISM COMMISSION

5 September, 2014

Our **top international tourism markets** by number of visitors include the **United Kingdom, New Zealand, Singapore, Malaysia, United States of America, China** and **Germany**.



Our industry generates more than **91,000 jobs**, contributes **billions of dollars to the economy** and helps to make Western Australia such an **extraordinary place to live.**



MESSAGE FROM THE CHAIRMAN

I am very pleased to present this Annual Report for 2013/14 – a year in which the Western Australian tourism industry has continued to strengthen.

The importance of our industry as an economic driver for the State is increasing. Our industry generates more than 91,000 jobs, contributes billions of dollars to the economy and helps to make Western Australia such an extraordinary place to live.

International professional services firm, Deloitte, has recently included tourism in its assessment of the world's fastest growing industries – recognition that the opportunity for continued growth in our industry is enormous.

Our role as Commissioners is always to ensure that tangible outcomes are achieved for our industry, and for our State, from the activities of Tourism Western Australia (Tourism WA). In the past year, we have produced new world-class brand films which are delivering results in a crowded media environment, in addition to targeted marketing across all our key markets with a range of industry partners and an events calendar which continues to deliver real economic results in both Perth and regional areas.

When the Board of Tourism WA began working on the State Government Strategy for Tourism in Western Australia 2020 back in 2010, the value of tourism in our State was around \$6 billion. In the year to March 2014, we have seen this figure grow to \$8 billion.

These results demonstrate that we are making progress towards our strategy goal of doubling the value of tourism to \$12 billion by 2020.

The State Government has committed significant funds to an amazing array of infrastructure, including Elizabeth Quay, the new museum and the new Perth Stadium, which will be important tourism assets in coming years. Tourism WA has played a role in encouraging new infrastructure such as hotels and the new stadium, and we will continue to play our part in stimulating ongoing demand to fully utilise new infrastructure.

Of the \$8 billion economic contribution to our State last year, much of the spending was in regional WA. Regional dispersal is critical in a State the size of ours, and for some regional communities, tourism is their main source of employment. Commissioners, executive team members and I have continued to travel widely throughout WA and meet with many regional tourism operators to hear first hand how our activities are helping to drive regional visitation, and the opportunities they see to continue to work together.

Tourism WA is a partnership organisation. We work closely with the tourism industry and across Government to help the industry grow. Our many industry partners are vital to our success, and their input and support over the past year is appreciated.

I thank my fellow Commissioners, including outgoing Commissioner Stephen Wicks, for their leadership and I acknowledge the solid work undertaken by the executive and employees of Tourism WA in the past year.



Peter Prendiville
CHAIRMAN

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

At Tourism WA, we are first and foremost an economic development agency. Our role is to get the conditions right so that the tourism industry in WA can succeed and grow and we achieve this by working on both the demand and supply side of the industry.

On the demand side, we extensively promote travel to and within WA through our marketing campaigns in key markets, often partnering with Regional Tourism Organisations, tourism industry operators and airlines. We also develop, attract and promote major sporting and cultural events through our Events division and we promote business events through a marketing services contract with the Perth Convention Bureau.

On the supply side, we work closely with other government agencies through our Infrastructure and Investment division to attract investment from the private sector and bring about the development of tourism infrastructure – hotels, airline routes, caravan parks, and attractions. We also focus on making sure that our State's policies and regulations encourage private investment.

The global tourism market is extremely competitive. We are in constant competition with international and interstate destinations across an increasing field of media platforms for a greater share of the growing global tourism industry. To remain competitive, we need to maximise the value of our marketing, and our events sponsorships and ensure that our infrastructure can meet the demand, both now and in the future.

The achievements outlined in this Annual Report for the past year demonstrate how we are meeting these challenges.

There were 7.7 million overnight visitors to Western Australia, and 14.9 million day trips within WA in the year to March 2014. These numbers represent an 8.6 per cent increase in overnight visitors and a 2.5 per cent increase in intrastate day trips on the previous year. These visitors spent \$8 billion in the State.

With our Experience Extraordinary brand, we have continued to target key markets to create a desire to visit WA and worked with trade partners to ensure that WA is an attractive holiday choice.

In the past year we have entered into a number of marketing partnerships that will continue to drive visitation to WA. In particular, a new three-year \$7.65 million marketing deal with Qantas is one of the biggest airline partnerships in Tourism WA's history. Under this agreement, Qantas joins Tourism WA in promoting our State in the domestic market, as well as the United Kingdom, United States of America, Germany and New Zealand.

We have continued to focus our marketing and partnership efforts in Asia, in particular we have developed a China Strategy with industry and other government agencies, and we are working collaboratively to develop this market.

Singapore is our second largest international market in terms of visitor spending and because Singaporeans are very familiar with WA, our challenge now is to give them new reasons to consider a holiday here.

Garuda Indonesia commenced direct flights from Jakarta to Perth in June 2013 and this country offers significant potential for growth. In the past year, we have significantly increased our marketing presence in Indonesia and we are in the process of establishing a physical presence in the market.

Our events calendar was robust in 2013/14, with a range of signature events and an expanded calendar. Highlights were the Margaret River Gourmet Escape, which delivered over \$10 million in economic impact to the region and brought renowned national and international chefs to our State. The Perth International Golf, Hopman Cup and BHP Billiton Aquatic Super Series attracted thousands of spectators and delivered strong results. Regionally, we supported a range of events that delivered both economic and social benefits to local communities.



**7.7 million
overnight
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day trips.**

We launched a new event marketing campaign, which included TV, print and digital advertising and created specific event leverage programs to increase the impact of major events and drive visitation.

Tourism infrastructure across WA is undergoing a considerable upgrade, with a range of projects coming to fruition from both State Government and private sector investment.

In Perth, the Elizabeth Quay development is reshaping our beautiful riverfront, while the Perth Airport undergoes major redevelopment and several new hotels are planned.

There have been a number of very exciting announcements including the new Ritz Carlton at Elizabeth Quay, and work on the former FESA House site to allow the development of a five-star Westin Hotel is underway.

Our role has been to build the case for Government policy that encourages hotel development, such as the provision of Crown land at discounted rates and planning concessions. If we are to achieve our growth targets, Perth needs new hotel rooms and we are working on ensuring that 1,900 new rooms are built by 2020.

We have also worked to establish planning provisions which encourage hotel development on privately owned land. We worked with the City of Perth to implement a Plot Ratio Bonus for hotel developments which came into effect in early 2013 and has resulted in a substantial increase in Development Applications. This policy sits alongside our ongoing activities to drive demand.

We need to continue to address infrastructure gaps, both in Perth and in regional WA.

Our employees have been extensively involved in supporting various tourism planning initiatives across the State. We have provided input to all of the Regional Development Commissions on their Regional Investment Blueprints and been involved in the preparation of tourism plans in four regions (Broome, Pilbara, Gascoyne and Mid West) and the implementation in a further two regions (East Kimberley and Margaret River). It is encouraging to see the recognition of tourism's importance at a regional level and the leadership shown by others in identifying opportunities for future growth.

The Caravan and Camping Action Plan is also addressing identified gaps in regional infrastructure, with plans for commercial caravan parks where needed, caravan and camping facilities in national parks and infrastructure along major self-drive routes.

Tourism WA works closely with the five Regional Tourism Organisations, the Perth Convention Bureau and the Western Australian Indigenous Tourism Operators Council to deliver outcomes for the tourism industry. The results outlined in this report would not be possible without the support of our many industry and government partners. The WA tourism industry provides significant support for our activities and their ongoing collaboration is gratefully acknowledged.

It has been an extraordinary year and I acknowledge the continued effort and hard work undertaken by all of the employees at Tourism WA.

A handwritten signature in black ink that reads "Stephanie Buckland". The signature is written in a cursive, flowing style.

Stephanie Buckland
CHIEF EXECUTIVE OFFICER

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.

Responsible Minister

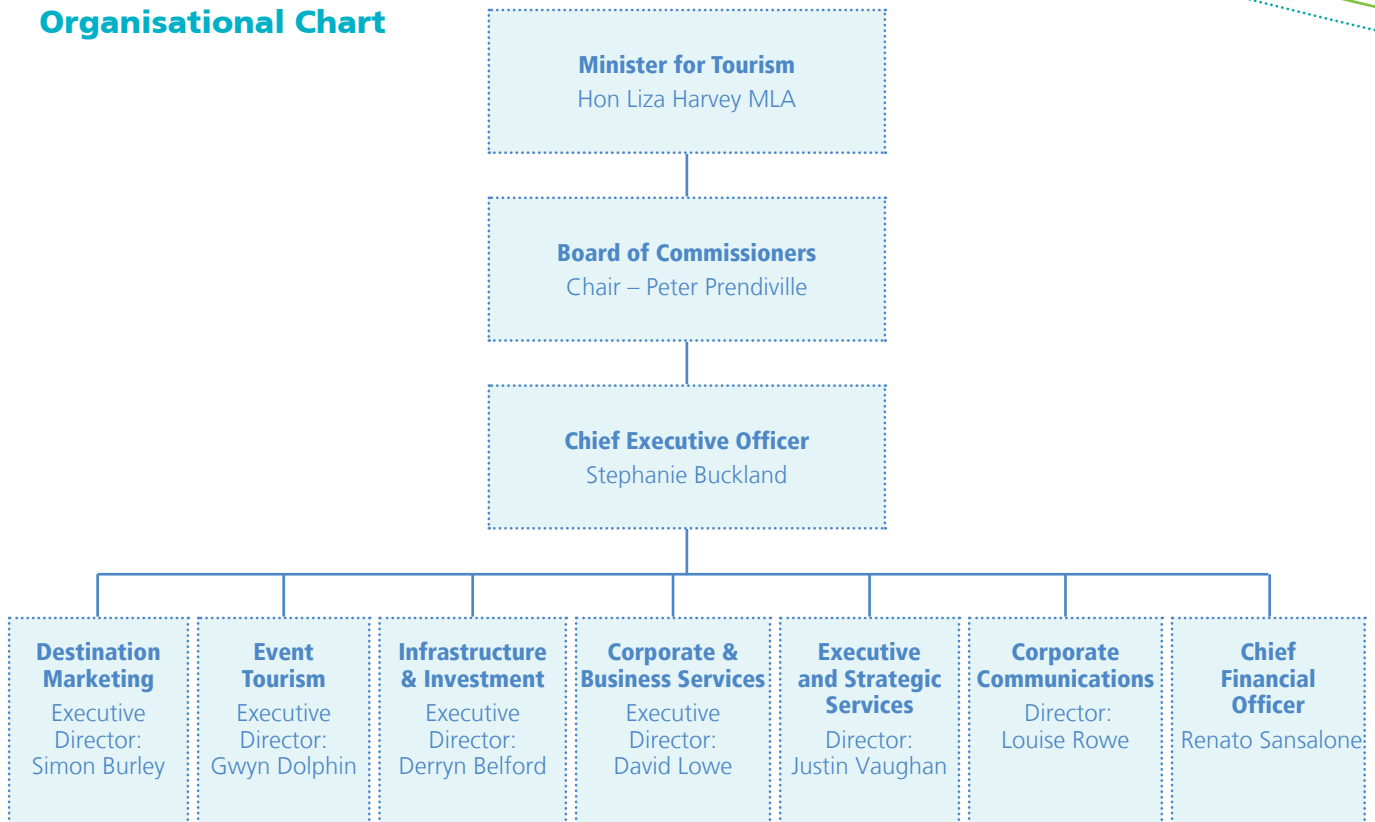
The Minister responsible for Tourism WA during the majority of 2013/14 was the Hon Liza Harvey MLA. The Hon Dr Kim Hames MLA was the Minister for Tourism until early August 2013.

Our Vision

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

Through partnership between private sector and Government, the State's tourism industry will achieve its full potential by delivering against the tourism brand promise – Experience Extraordinary Western Australia.

Organisational Chart



Administrative Legislation

Tourism WA administers the *Western Australian Tourism Commission Act 1983*.

Other Key Legislation

Key legislation impacting on our operations includes:

- *Financial Management Act 2006*
- *Public Sector Management Act 1994*
- *State Supply Commission Act 1991*.

Board of Commissioners

The Board has overall responsibility for corporate governance. It sets the strategic direction of the agency and the goals of management. Day-to-day operations are delegated by the Board to the Chief Executive Officer and the Executive Management Team.

Through partnership between private sector and government, the State's tourism industry will achieve its full potential by delivering against the tourism brand promise – **Experience Extraordinary Western Australia.**

Leeuwin Naturaliste National Park





Board Profiles

Peter Prendiville – Chairman

Peter Prendiville has been the owner and/or operator of over 40 hotels in a career spanning over 35 years. Mr Prendiville has opened various hotel properties such as the Esplanade Fremantle, Langley Hotel, Kalbarri Beach Resort and the Margaret River Hotel. He currently owns several hotels including Hotel Rottneest, Karratha International Hotel and the Tradewinds Hotel as well as Pier 21 Resort in Fremantle. Mr Prendiville is also the owner of the 1840-founded Sandalford Wines in the Swan Valley and Margaret River. Sandalford has won a number of State Tourism Awards in categories including Best Tourism Winery, Best Significant Tourist Attraction and Significant Festivals and Events as well as the Sir David Brand Award. He has been involved in Notre Dame University since its inception and in addition to being a Trustee and Director, he is also the Deputy Chancellor. He has been involved in the oil and gas industry and has sat on several public company boards. Mr Prendiville's term commenced 1 September 2011 and he became Chairman on 1 July 2012.

Howard Cearn – Deputy Chairman

Howard Cearn is an experienced brand marketer and entrepreneur. A career in marketing with Matilda Bay and Lion Nathan led to the founding of Little Creatures Brewery in Fremantle with friends, a business sold to Japan's Kirin Corporation in 2012. He founded and is Chairman of BrainCELLS Creative Marketing and Design, is a Director and shareholder of Swings and Roundabouts wines, the Stormflower Vineyard, and Hippocampus Memorable Drinks. Mr Cearn worked for Budget Rent a Car early in his career and gained significant sponsorship and event experience as Marketing Director of the Swan Brewery. He was made Lion Nathan's group Innovation Director in 1996. Mr Cearn's term commenced 1 July 2006 and he became Deputy Chairman on 1 July 2012.

Valerie Davies

Valerie Davies is the Managing Director of One.2.One Communications Pty Ltd, a consultancy specialising in issues management and corporate communications advice. Ms Davies is a former winner of the Telstra Businesswoman of the Year award for Western Australia, and a past Vice President of the Australian Institute of Company Directors WA Division. Currently she serves on the board of Amalgamated Holdings Limited, which is one of Australia's premier entertainment technology, hospitality, and tourism and leisure companies; and HBF Health Limited. Ms Davies is past director of a variety of organisations including Tourism Australia, ScreenWest, Iluka Resources Limited, Integrated Group Limited, Gold Corporation, Youth Focus, Amcon Solutions Group, Relationships Australia and Fremantle Hospital and Health Service. Apart 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 1 July, 2013.

Alistair (Al) Donald

Al Donald is an experienced corporate lawyer specialising in negotiated acquisitions, joint ventures, private capital fundraising and governance. He has served as head of Herbert Smith Freehills Australian Mergers and Acquisitions Group and on the Herbert Smith Freehills Global Council. In Australia Mr Donald has worked exclusively for Herbert Smith Freehills in both the Sydney and Perth offices, and has been a partner since 1991. He worked in New York from 1985 to 1988 with leading United States and international law firm Skadden, Arps, Slate, Meagher & Flom, specialising in acquisitions and financing work. He was admitted to the New York Bar in 1986. Mr Donald is an honours law graduate of The University of Western Australia. Mr Donald's term commenced 1 February 2009.

Nathan Harding

Nathan Harding is the owner and Group Managing Director of Discover Australia Holidays. As one of Australia's largest inbound travel wholesalers, Discover Australia generates more than 150,000 visitors each year to Australia. Mr Harding has combined his technology, marketing and business skills to drive the family-owned company's success. Discover Australia incorporates the Discover West Holidays and HolidayMax brands. Mr Harding is the national Deputy Chairman of the Australian Tourism Export Council (ATEC) and has been a board director since 2011. He has a degree in electrical engineering from University College, Cardiff and is a postgraduate of marketing and applied finance and investment. Mr Harding's term commenced 1 July 2012.

Neville Poelina

Neville Poelina is an Aboriginal tourism operator and recognised leader in the development of Aboriginal tourism in Australia. Mr Poelina is a Nyikina man from the Kimberley, former WA Indigenous Tourism Operators Council Chairperson and the inaugural Chairperson of the World Indigenous Tourism Alliance. He has traditional ties throughout the Kimberley, and Aboriginal culture and society is his life. Mr Poelina has been involved in tourism since he was six, when he started selling bait and fishing tips to visitors to Broome. He has operated his own tour business, Uptuyu Aboriginal Adventures, in the Kimberley since 2002. Mr Poelina is passionate about Aboriginal tourism and sees it as an integral part of WA's tourism as a whole. He believes Aboriginal tourism offers two important benefits. Firstly, by preserving country and culture, and allowing people to live on country sustainably; and secondly, it ensures visitors get an accurate understanding of Australia's oldest culture and come away with a deeper knowledge and connection to it. Mr Poelina's term commenced 1 January 2011.

The new **Experience Extraordinary brand films**, highlighting the **landscapes of Broome, the Kimberley and the South West**, were supported by a **\$3.5 million** national television and cinema media campaign which reached over **4.9 million people**.

Diane Smith-Gander

Diane Smith-Gander has more than 30 years' experience in the business world. She is Chairman of Transfield Services Limited and is a director of Wesfarmers Limited. Ms Smith-Gander is a past chairperson of the Australian Sports Drug Agency (now ASADA) and also served on the Board of Basketball Australia for more than three years, including one as Chair, and helped steer the organisation through a change in governance structure. Ms Smith-Gander holds an MBA from The University of Sydney and a Bachelor of Economics from the University of Western Australia where she is an adjunct professor of Corporate Governance and serves on the advisory board of the Business School. She is a Board member of the Committee for Perth, a councillor of both Methodist Ladies Council and of Chief Executive Women. Ms Smith-Gander's term commenced 1 July 2012.

Richard Vaughan

Richard Vaughan is a board member of PEAK Adventure Travel, the world's largest adventure travel company. Mr Vaughan has more than 50 years' experience in the travel industry including with world-class airlines Emirates, British Airways and Gulf Air. Until recently he held the position of Emirates Divisional Senior Vice President Commercial Operations, Worldwide. He was General Manager for the Concorde Group of Companies in Western Australia for 16 years and managed the group's various business units including Concorde International Travel, World Aviation Systems and several other local operations. Mr Vaughan's term commenced 1 July 2012.

Stephen Wicks

Stephen Wicks is the Chief Executive Officer for the Western Australian Turf Club, trading as Perth Racing. Perth Racing has a proud history of hosting thoroughbred racing events in the State for over 150 years, and runs the two magnificent riverside racecourses of Ascot and Belmont Park, both situated minutes from the city of Perth. Mr Wicks brings more than 16 years high-level experience in WA regional, Eastern States and international hotel and event operations, development and corporate travel management to the Board. While WA-born, he has held senior management roles in leading five-star hotels in Sydney, Brisbane, Surfers Paradise, Hong Kong and Vietnam. Mr Wicks' experience includes involvement in the design, tender and management contract negotiations for projects in Perth, Mandurah and Port Hedland. In addition to his current role Mr Wicks also instructs in the MBA (Exec) program for the Australian Graduate School of Management. Mr Wicks is an adjunct professor with the University of Queensland's School of Tourism and holds an MBA (Exec) from UNSW. Mr Wicks' term commenced 18 May 2010 and concluded on 30 June 2014.

CORPORATE GOVERNANCE

Tourism WA Board Meetings and Attendance

Of the seven Board meetings conducted this financial year, attendance was as follows:

	Meetings attended	Meetings eligible to attend
Peter Prendiville	7	7
Howard Cearns	7	7
Al Donald	6	7
Neville Poelina	5	7
Stephen Wicks	6	7
Richard Vaughan	5	7
Diane Smith-Gander	6	7
Nathan Harding	7	7
Valerie Davies	7	7

Declarations of Interest

The Board has a standing declaration of interest process, where Board agenda papers are not distributed to those members who have a declared or perceived interest in relation to any matter and the members are excluded from participating in Board business relating to these interests. In addition to this process, Board members declare other interests from time to time as matters arise.

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 Sub-Committees.

The **Strategic Marketing Committee** provided high level strategic advice on Tourism WA's marketing activities in domestic and international markets and monitored the success of its activities.

The **Infrastructure and Investment Committee** provided input, advice and advocacy on strategies, policies and initiatives that drive significant tourism infrastructure development.

The **Events Committee** guided the delivery of a world class annual major events calendar for the State featuring unique, home-grown events as well as international cultural, arts and sporting events.

The **Audit and Risk Committee** assisted 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.

Executive Management Team

The Chief Executive Officer, the four Executive Directors, the Director Executive and Strategic Services, the Chief Financial Officer and the Director of Corporate Communications comprise the Executive Management Team.

Stephanie Buckland Chief Executive Officer

Stephanie Buckland is a marketing and product management professional with experience in consumer packaged goods, retail banking and tourism. Stephanie led a major restructure of Tourism WA in 2010, positioning the agency to implement the new strategic direction set by the Board. Under Stephanie's leadership, the organisation was streamlined and efforts were re-focused on marketing, events and significant tourism infrastructure. Partnerships were strengthened with the tourism industry and with government agencies key to the future of tourism including the Department of Parks and Wildlife, Department of Regional Development, Metropolitan Redevelopment Authority, Department of Planning, Department of Transport and Tourism Australia.

Stephanie was the Executive Director Marketing at Tourism WA from March 2008 to December 2009, and was instrumental in the development of the Experience Extraordinary brand positioning, as well as the highly successful Extraordinary Taxi Ride campaign.

Prior to joining Tourism WA, Stephanie was head of retail marketing for Bankwest, where she developed the marketing strategy for the bank's successful expansion to the east coast of Australia. Stephanie also worked for Pfizer Consumer Healthcare for 11 years, marketing well-known consumer brands in the USA and Australia.

Stephanie, who was born and raised in the USA, has an undergraduate degree in Marketing from the Pennsylvania State University and a Masters in Business Administration from the University of Virginia. Stephanie was appointed Chief Executive Officer in April 2011 after acting in the role from January 2010.

Gwyn Dolphin Executive Director Events

Gwyn Dolphin joined Tourism WA in February 2012. He has an impressive background in marketing and events acquisition with previous experience as Group Marketing Director for Welsh Rugby Union (WRU) and Millennium Stadium (MS). At WRU and MS, Gwyn was responsible for all commercial and marketing activities as well as securing international events such as international soccer, Rugby World Cup and major music concerts.

He previously managed Ford's €100 million sponsorship of the UEFA Champions League football, was a managing partner in the WPP Group, ran Vodafone's global sports, music and film sponsorship investments and, as an employee at Toyota, was a major part of the World Rally Championship-winning operation.

Tourism has been recognised as one of the world's **fastest growing industries.**

Simon Burley

Executive Director Marketing

Simon Burley joined Tourism WA in January 2012. He has extensive experience in marketing having been the global brand director for Beefeater and Plymouth Gin with Pernod Ricard in London. During his time at Pernod Ricard, Simon was responsible for the global marketing strategy for Pernod Ricard's gin portfolio, including brand positioning, marketing strategy and activation, and strategic planning with key distributors. Previously he was responsible for driving the Ballantine's golf sponsorship program throughout Asia, with key markets including Korea, China, Taiwan and Japan.

He has a Bachelor of Arts degree from Adelaide University and a Bachelor of Commerce from Flinders University of South Australia.

Derryn Belford

Executive Director Infrastructure and Investment

Derryn joined Tourism WA in 2008 from a 20-year career as research and strategy consultant across a wide range of industries. She has had a number of roles since joining the agency, including Research Manager and Director Strategy and Policy. In the latter role she led the development of the State Government Strategy for Tourism 2020, which was launched by the Premier in December 2012. In 2013, she was seconded for a period to the Department of the Premier and Cabinet to develop the business plan for the National ANZAC Centre being built in Albany and scheduled to open in November 2014.

Derryn has been the Executive Director Infrastructure and Investment since September 2013, and her role is to lead the team responsible for the facilitation of strategic tourism infrastructure in Western Australia. Derryn has a Bachelor of Science degree from The University of Western Australia, and a Master of Business Administration. She is also a graduate and member of the Australian Institute of Company Directors.

David Lowe

Executive Director Corporate and Business Services

David Lowe has worked in the Western Australian Public Sector for over 25 years and been with Tourism WA since 2001. Prior to this he worked at the Water Corporation, Family and Children's Services, MetroBus and the Public Service Commission.

David holds a Masters in Business Administration, a Graduate Diploma in Management (Occupational Safety and Health) and a Diploma in Human Resources.

Renato Sansalone

Chief Financial Officer

Renato Sansalone joined Tourism WA in March 2012 and has over 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 CFO positions for the Art Gallery of WA and the WA Museum, the then Department for Planning and Infrastructure (now Department of Planning and Department of Transport) and the Department of Racing, Gaming and Liquor.

Renato holds a Bachelor of Commerce (Accounting) from Curtin University and is a graduate and member of CPA Australia. He is also Treasurer on the Board of writingWA.

Louise Rowe

Director Corporate Communications

Louise Rowe joined Tourism WA in April 2014. She has extensive experience in broadcast journalism, having worked predominantly in the studios and newsroom at 6PR and 96FM in Perth where her roles included current affairs talkback host, producer and newsreader. Following her radio career, Louise joined the Department of Corrective Services in Western Australia where she specialised in government corporate communications and issues management, responsible for media management, Ministerial liaison and stakeholder communications. She completed a cadetship in journalism in 1993.

Justin Vaughan

Director Executive and Strategic Services

Justin Vaughan is a strategy, economic development and government relations professional with significant experience in tourism and aviation. He commenced at Tourism WA in September 2012 having previously worked for both Tourism Queensland and Tourism Northern Territory where he developed aviation strategy, secured new air services, and brokered significant global cooperative marketing campaigns in support of new flights. While in the Northern Territory he also devised and led a number of research projects and strategies, including an increased focus on Asian markets and the first air charter program from Hong Kong. Justin has a Masters degree from Deakin University and a Bachelor of Science degree from James Cook University and is a graduate and member of the Australian Institute of Company Directors.

Changes to the Executive Management Team

During 2013/14, there were two changes to the Executive Management Team:

- Neil Poh held the position of Director Corporate Communications until December 2013.
- Renato Sansalone was appointed to the Executive Management Team in June 2014.

1.3 PERFORMANCE MANAGEMENT FRAMEWORK

1.3.1 OUTCOME BASED MANAGEMENT FRAMEWORK

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

Tourism WA works to meet the government goal of Financial and Economic Responsibility.

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 that the value of tourism is more than economic and that the agency is charged with ensuring that the WA tourism industry is competitive and sustainable over the long term.

Government Goal	Desired Outcome	Services
Financial and Economic Responsibility: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Increased competitiveness and viability of the Western Australian tourism industry. 	<ol style="list-style-type: none"> Destination Marketing Event Tourism Tourism Investment and Infrastructure

1.3.2 CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

Tourism WA's outcome based management framework did not change for 2013/14.

1.3.3 SHARED RESPONSIBILITIES WITH OTHER AGENCIES

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

The agency participates in a range of significant State and Commonwealth initiatives coordinated by other agencies, including the Kimberley Science and Conservation Strategy, the National Long-Term Tourism Strategy, Kimberley Regional Planning Committee and Gascoyne Regional Planning Committee.

Tourism WA's role in these and other cross-agency groups is to provide advice to maximise tourism outcomes and ensure that tourism is a major consideration in government policy, planning and development processes.

Tourism WA works closely with a range of Commonwealth and State government agencies including Austrade (Commonwealth), Tourism Australia (Commonwealth), the Department of the Premier and Cabinet, the Department of Regional Development, the Department of Lands, the Department of Parks and Wildlife, the Department of Planning, LandCorp, the Small Business Development Corporation, Regional Development Commissions and others to achieve cross-government coordination of tourism initiatives.

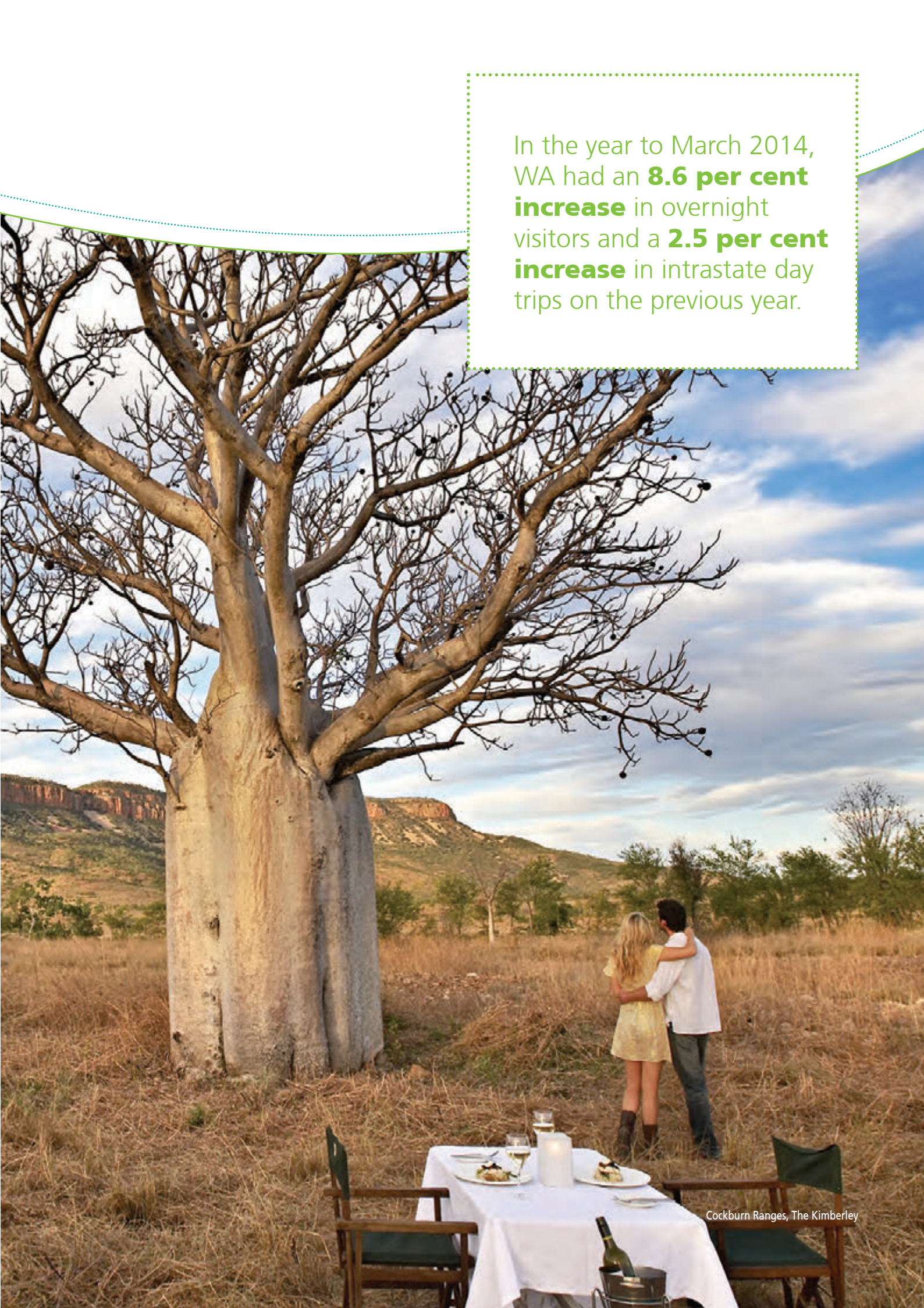
Tourism WA also recognises and participates where possible in whole-of-government initiatives, including the building and sharing of the capacity and capability of the WA public sector workforce.

1.3.4 STATE GOVERNMENT STRATEGY FOR TOURISM IN WESTERN AUSTRALIA 2020

The *State Government Strategy for Tourism in Western Australia 2020* is a broad strategy for tourism in the State, with the goal to grow the value of tourism in WA to \$12 billion by 2020. Led by Tourism WA, the strategy implementation requires a partnership model that recognises the roles of government and industry to enable delivery. The strategy was developed in close consultation with key government and industry stakeholders in order to meet the needs of the Western Australian tourism industry with a view to 2020. The strategy was released in December 2012.

Tourism WA's activities in 2013/14 were aligned to the strategy with efforts focused towards the continued growth of the value of tourism in the State. Tourism WA oversees and reports on the implementation of the strategy through the annual Corporate Plan, available on the Tourism WA corporate website.

Travel to and within WA increased in the past year, showing continued progress towards reaching the goal. There were 7.7 million overnight visitors to WA, and 14.9 million day trips within WA in the year to March 2014. These numbers represent an 8.6 per cent increase in overnight visitors and a 2.5 per cent increase in intrastate day trips on the previous year. These visitors spent \$8 billion in the State.

A large, leafless tree with a thick trunk stands in a field of dry grass. In the background, a couple is embracing, and in the foreground, a dining table with a white tablecloth is set with plates, glasses, and a bottle. The sky is blue with scattered clouds.

In the year to March 2014, WA had an **8.6 per cent increase** in overnight visitors and a **2.5 per cent increase** in intrastate day trips on the previous year.

2.0 AGENCY PERFORMANCE

2.1 REPORT ON OPERATIONS

DESTINATION MARKETING

Tourism WA's marketing is critical for building awareness of Western Australia's extraordinary tourism offering and driving holiday bookings into and around the State.

The marketing strategy is focused on brand communications, cooperative marketing with key airlines and distribution partners, trade education, a dedicated caravan and camping marketing program, and the promotion of major business events in conjunction with the Perth Convention Bureau.

These programs are all informed by and measured using different evaluation techniques, to ensure that we are targeting high yield visitors that will look at dispersing around the State, and in doing so generate a strong positive flow-on for our tourism economy.

Major achievements 2013/14

Brand Communications

- A range of exciting brand communication programs were developed in 2013/14 that were critical for boosting awareness of Western Australia and our Experience Extraordinary brand, reflected in key measures of advertising reach, media awareness and visitation into the State.
- Developed new brand films to promote the Experience Extraordinary campaign, focusing on the spectacular landscapes of Broome, the Kimberley and the South West, and supported by a \$3.5 million national television and cinema media campaign which reached over 4.9 million people and generated approximately \$60 million in visitor spend through new holiday bookings, with a Return on Investment (ROI) of \$19 in visitor spend for every dollar spent.
- Developed public relations programs to profile the destination that contributed \$56 million in estimated advertising value in Tourism WA's domestic and international markets. Key highlights included the Channel 7 Sunrise tour of the Kimberley, securing BBC Coast to film in the Coral Coast and the South West, and recruiting a range of ambassadors, including social influencer Nicole Warne of Gary Pepper Girl, who has more than 800,000 followers on Instagram.
- Promoted the 'Best Job in the World' campaign by creating the WA Taste Master, won by Englishman Rich Keam who was hosted for six months as he travelled around WA and shared his experiences on tastewesternaustralia.com, Twitter and Instagram. Further reach was achieved through content distribution and media outreach in the UK. The campaign delivered 140,700 minutes of new video content, 56,000 blog views with an average of seven minutes per visit; as well as 3.7 million impressions for the hashtag #TasteWA, which reached 100,000 Twitter accounts per week. Through publicity, the campaign generated a further reach of 9.8 million and \$850,000 of equivalent advertising value during the WA Taste Master's time in WA.

- Supported Tourism Australia's new food and wine campaign 'Restaurant Australia'. The campaign included television advertising, a launch to inform industry, promotion in key international markets, plus a major engagement program to encourage as many Western Australian businesses as possible to get involved in the campaign and submit their business for feature on restaurantaustralia.com. So far, 181 WA businesses have submitted their experiences to the website with many continuing to promote themselves through social media. Rottnest Island was also featured as a key destination in Tourism Australia's new global TV campaign promoting Australia's credentials in food and wine in a spectacular setting at Thompson Bay.

Cooperative Marketing

- A range of exciting cooperative marketing programs were developed in both our domestic and international markets in 2013/14, which were critical for building awareness of our destination and driving bookings into the State, reflected in key measures around visitation and spend into WA.
- Signed a three-year \$7.65 million cooperative marketing agreement with Qantas. This is one of the biggest airline partnerships in WA's history. Under the agreement, Qantas joins Tourism WA in promoting WA, matching Tourism WA's marketing funding dollar for dollar. The agreement targets potential visitors from Australia, the United Kingdom, USA, Germany and New Zealand. For year one of this agreement the ROI for the domestic market was 26:1, and the international markets achieved – New Zealand 15:1, United Kingdom 123:1, Germany 7:1.
- Signed a three-year \$2.25 million cooperative marketing agreement with Jetstar to promote WA in key domestic markets and Singapore through joint advertising, generating an ROI in the domestic market of 25:1.
- Launched a two-year cooperative marketing campaign to support the introduction of Singapore-based airline Scoot's new Perth-Singapore flights in December 2013. Scoot became the 18th international airline flying into Perth Airport.
- Continued a marketing partnership with China Southern Airlines and Tourism Australia, including a major new advertising campaign across key Chinese cities. New images around the Pinnacles, Rottnest Island and Perth, plus a more targeted media approach including some online media activities were adopted in the 2013/14 campaign which as a result generated a greater media exposure. This partnership also set up a major travel agent program to package key destinations in Western Australia bringing in 1,709 new visitors, with a ROI of 16:1.
- Launched a cooperative marketing campaign with Tourism Australia to support the launch of Etihad Airways daily direct flights from Abu Dhabi to Perth (from 15 July 2014). Etihad has a large footprint and growing network into Europe.

Marketing is critical for building awareness of Western Australia's extraordinary tourism offering.

Trade Education

- **Hosted and implemented a mega trade familiarisation and product development workshop in Kalgoorlie**, which attracted 60 top German agents to WA from FTI Touristik, an accredited German travel network, following this the travel agents were split into five groups to experience all regions of WA with the support of the Regional Tourism Organisations (RTOs).
- **Conducted the first 'Ni Hao WA'**, a trade education program that brought some of China's biggest travel agents into Perth and regional WA, motivating them to sell more WA packages in their travel programs and offering opportunities for WA tourism operators to establish business relationships with the travel agents.
- **Held a major roadshow in the USA** to promote WA in order to fully capitalise on increased aviation capacity and partnerships out of the USA.
- **Launched an inaugural Indonesian Roadshow** into Jakarta and Surabaya with over 16 WA operators attending. The delegation met with over 250 agents over two days.
- **Escorted the five RTOs to New Zealand to undertake trade training** and host media workshops in support of the inaugural launch of the seasonal Qantas Perth–Auckland services and the introduction of the seasonal Christchurch–Perth services.

Caravan and Camping

- **Provided marketing support as part of the \$40.7 million Caravan and Camping Action Plan.** A comprehensive marketing program for 2013/14 was developed including trade campaigns in Germany, Singapore, New Zealand, the USA and Australia, updating Tourism WA's image library with dedicated caravan and camping imagery to support campaigns and content publication. Links to 14 campsites in national parks, which are bookable online, have been listed on westernaustralia.com.

Business events

- **Secured 109 conferences and 84 corporate meetings** and incentive events through Perth Convention Bureau. This represented 49,256 delegates with a Direct Delegate Expenditure (DDE) of \$107.97 million, delivering approximately 104 per cent of the 2013/14 annual DDE target of \$104 million.

EVENT TOURISM

The objective of the Events division is to develop, sponsor and promote a diverse calendar of events that showcases Western Australia as a great place to live, work and visit. Events maximise our competitive advantages and trigger awareness of Western Australia as a holiday destination, and stimulate bookings. The combination of showcasing Western Australia and the delivery of locals and visitors at events will position Western Australia as a recognised event destination, creating vibrancy and a significant uplift in visitor demand.

Major achievements 2013/14

- **Supported the Margaret River Gourmet Escape** which delivered \$10.5 million in economic impact to the region and 33,000 room nights from more than 10,000 visitors. In 2013, the event attracted national and international chefs and, over the three days a range of lunches, exclusive dinners, wine tastings and master classes were held. The 2013 event also generated a media value of more than \$2.6 million with strong editorial coverage in Australia, China and the UK and television broadcast in global markets including Australia, UK, Malaysia, Singapore, Germany, Netherlands, Spain, China, Hong Kong, United Arab Emirates, South Korea, South Africa, Indonesia and Japan.
- **Hosted the second Perth International golf event** which attracted a quality field of 144 European, Australasian, Asian and American PGA tour professionals including Dustin Johnson and Bo Van Pelt. Attendance at the 2013 ISPS Handa Perth International was 31,100. The event delivered extremely strong global television broadcast of more than 1,400 hours that generated a value of more than \$23 million for the State in key target markets.
- **Continued support for the Hopman Cup.** The 2014 event was the second Hopman Cup to be held at the Perth Arena and recorded the second-highest attendance in the history of the event. This event is the largest contributor of media value for the State, generating a media value from television broadcast into Tourism WA markets of more than \$112 million.
- **Increased the impact of the BHP Billiton Aquatic Super Series event.** Five nations (Australia, Brazil, China, Japan and South Africa) competed in the 2014 elite swim event, alongside activities for water polo, Statewide community programs, and the Swim the Swan open water swim. In 2014, the event generated a media value from television broadcast of more than \$3.9 million with coverage in Australia, Singapore, Malaysia, Hong Kong, Japan, China, UK and the USA.
- **Hosted the Australian Surf Lifesaving Championships at Scarborough Beach**, with more than 4,500 surf lifesavers representing 311 clubs from across Australia taking part in this prestigious event. This event attracted nearly 8,000 visitors to the State and generated an economic impact of nearly \$12.5 million.



The **Regional Events Program** supports a wide variety of **cultural, sporting, arts and culinary events** throughout WA.

- Supported the Drug Aware Margaret River Pro event which, for the first time in 20 years, was elevated to World Championship Tour status (WCT), guaranteeing the attendance of the world's top 36 men and 18 women. Achieving WCT status significantly increased the global media coverage of the event and the Margaret River region.
- Continued support for the Perth International Arts Festival. This year's event included the free, opening spectacular Veles e Vents, which reached 30,000 people and was an Australian exclusive event.
- Enhanced funding to increase the impact and reach of the Perth Fashion Festival. More than 100 labels were represented at the festival, which had a mix of free and ticketed events, and attracted extensive Asia-Pacific media. The media impact value for this event was \$2.7 million.
- Continued to ensure world class rugby fixtures in Perth through our agreement with the Australian Rugby Union. In September 2013, the Qantas Wallabies played the Argentine Pumas for the first time in WA.
- Supported the SunSmart Ironman Western Australia event in Busselton, which attracted more than 1,900 registered competitors, as well as hosting the shorter 70.3 events in Mandurah and Busselton. The Ironman event generates significant economic value for the region.
- Supported the 10th anniversary of Sculpture by the Sea, Cottesloe, which attracted an estimated 220,000 attendees and featured 74 artworks by artists from around the world, including 25 international, 21 interstate and 28 local WA artists.

Regional events program

- Provided funding to a range of events under the Regional Events Program, as well as a pool of \$750,000 for smaller, community-focused regional events under the Regional Events Scheme (RES).
- Supported the preparations for the Anzac Centenary Commemorations based in Albany through funding for the City of Albany, Australia's South West, the Stirling Terrace Mess Hall, and a range of events planned for October-November 2014 and April 2015. Also chaired the Great Southern Anzac Centenary Events Committee to co-ordinate the event planning activity.
- Taste Great Southern included more than 45 events across the Great Southern and attracted high profile cooks such as Stephanie Alexander and Anna Gare.
- The Action Sports Games Mandurah featured a round of the International Waterski and Wakeboard Federation World Cup, as well as a BMX and skateboarding competition and Freestyle Motocross demonstrations. Over 70 competitors from around the world took part in the IWWF World Cup.
- The regional program of the BHP Billiton Aquatic Super Series engaged communities through swimming and water polo clinics across regional WA, and drove social media activity.
- The Shinju Matsuri Festival of the Pearl in Broome included a long table lunch, art exhibition, float parade, mardi gras concert and street carnival.
- Supported both the Argyle Diamonds Ord Valley Muster in Australia's North West and the CinéfestOZ film festival in Australia's South West.



Perth Fashion Festival



Barclay Bailey, wind song, Sculpture by the Sea, Cottesloe 2014. Photo Clyde Yee

Our **calendar of events** showcases Western Australia as **a great place to live, work and visit.**

Event marketing

- **Launched a new \$1.65 million event marketing campaign**, which included TV, print and digital advertising. Research has shown that this new campaign achieved a 135:1 ROI.
- **Devised specific event leverage programs to the value of \$1,216,000** to increase the impact of major events and drive visitation. These included events such as the Margaret River Gourmet Escape, Sino Australia Basketball, BHP Billiton Aquatic Super Series, Perth International Golf, Perth International Arts Festival, and the Argyle Diamonds Ord Valley Muster and Cable Beach Polo across key markets like China, Singapore, the UK and the USA, amongst others.
- **Delivered a marketing and PR campaign for the V8 Supercars Perth 400** at Barbagallo Raceway, and co-ordinated marketing planning activities for the upcoming 2015 Cricket World Cup in Perth.

INVESTMENT AND INFRASTRUCTURE

The Tourism Infrastructure and Investment Division facilitates the development of strategic tourism infrastructure in WA. The focus is on where the greatest impact can be delivered to achieve the agency's strategic objective of doubling tourism visitor expenditure by 2020. Tourism WA is not responsible for delivery of the infrastructure projects themselves, but works with and through other State government agencies, local government and the private sector to ensure tourism outcomes are achieved.

Focus areas include attracting tourism investment, improving aviation access, increasing hotel and eco-accommodation development, expanding cruise shipping, developing the caravan and camping sector, and associated planning and policy issues – all of which aim to meet the needs of Western Australia's key target markets.

Major achievements 2013/14

Hotel / eco-accommodation development and investment attraction

- **Active support for hotel investors and developers in Perth** has led to some 1,300 of the target 1,900 rooms by 2020 for Perth CBD to be 'committed' for development, and Tourism WA continues to monitor and provide advice and support where required.
- **Demolition work began at the FESA House fire station** to allow the development of a 362-room five-star Westin Hotel. This world class hotel, to be built by BGC (Australia), is the first in the city directly developed under the hotel incentives policy facilitated by Tourism WA. Partners in the project include LandCorp, the Department of Fire and Emergency Services and the Department of Health. The new hotel is expected to be open in 2018.
- **Alongside the Metropolitan Redevelopment Authority (MRA), Tourism WA facilitated the selection of the luxury Ritz-Carlton hotel proposal** as a cornerstone of the Elizabeth Quay development, and is actively introducing investors to another hotel opportunity to be situated adjacent to Perth Arena in the CityLink precinct.

The WA Caravan and Camping Action Plan: 2013-2018 aims to **make Western Australia** the nation's **most attractive caravan and camping holiday destination.**



- Supported the Department of Parks and Wildlife in the final year of the four-year Naturebank Program. 2013/14 saw land assembly continue on the Millstream Chichester National Park site, preparations progress to release the Ngamoowalem Conservation Park in the East Kimberley (released July 2014), first stage pre-feasibility of a new opportunity at Icy Creek at Lane Poole Reserve, the cessation of the Cape Le Grand site near Esperance due to environmental constraints and discussions with interested parties continued for the Francois Peron National Park.
- Increased awareness of WA as a strong investment opportunity through partnered initiatives with Tourism Australia and Austrade, with some 15 inbound and two outbound missions resulting in significant interest from investors from Asia and the Middle East. Currently developing a strategy to specifically encourage investment from China.

Aviation access

- Continued active involvement in the development of the business case for the redevelopment of Busselton Regional Airport as the gateway into the Margaret River Region, and a lead agency in discussions with domestic airlines to encourage flights from Sydney and Melbourne when the airport is complete.
- Participated in the Department of Transport's review of the regulated aviation routes in WA, and in the development of the State Aviation Strategy. Both processes are important if aviation access in WA is to become more affordable in the future.

Caravan and camping

- The WA Caravan and Camping Action Plan: 2013-2018 aims to make Western Australia the nation's most attractive caravan and camping holiday destination by improving the supply, delivery and promotion of the sector.
- Funding of \$40.7 million from Royalties for Regions has been allocated to implement the Action Plan program and Parks for People initiative over four years by five State Government agencies including Tourism WA, Department of Parks and Wildlife, Department of Local Government and Communities, Main Roads WA and the Department of Regional Development.
- Tourism WA's achievements in this financial year include:
 - contributed to the selection of Discovery Holiday Parks as the proponent to develop a new commercial caravan park in Broome within the Cable Beach precinct;
 - progressed land assembly at potential commercial caravan park and camping sites at Lancelin, Exmouth and in the East Kimberley;
 - contracted Caravan Industry Association of WA to coordinate the design and delivery of a program of education and training customised to meet the needs of caravan park management and staff;
 - commenced implementation of the black waste dump point program in partnership with local government, with dump points installed at Dongara and Busselton;

- funded the Department of Planning to review and release *Planning Bulletin 49 – Caravan Parks*; and
- developed a dedicated Caravan and Camping Marketing Strategy and delivered the 2013/14 marketing plan in collaboration with the Caravan Industry Association of WA and the Department of Parks and Wildlife.

Aboriginal tourism development

- Delivered year three of the Kimberley Science and Conservation Strategy (KSCS) Aboriginal tourism development program which provides capacity building and product development support to 12 Aboriginal tourism businesses across the Kimberley. A dedicated Kimberley-based Aboriginal Tourism Manager delivered the program which included working with Aboriginal operators to expand the product suitable for the cruise market, and enhancing the Mimbi Caves touring experience. This KSCS initiative has been extended through to the end of June 2015.
- With the finalisation of the Camping with Custodians investigation, implementation funding has been identified through the Caravan and Camping Action Plan to progress the land assembly and development of at least one commercial camping ground on Aboriginal lands in the Kimberley. This program provides a unique opportunity for Aboriginal communities to seek economic, social and enterprise outcomes by offering self-drive visitors with secure campgrounds along key drive corridors in the Kimberley region.
- Royalties for Regions funding of \$4.6 million over four years for a dedicated Aboriginal Tourism Development Program was identified in the 2014/15 State Budget. Work commenced on identifying the program framework and preferred delivery vehicle to inform the development of the mandatory business case required to access the funding. It is anticipated that the program will proceed to implementation status in early 2015.

Cruise shipping

- Continued to work in partnership with industry and the WA Cruise Committee to capitalise on the opportunities to grow the sector, and develop onshore tourism product. For many regional destinations, cruise ship visits offer large numbers of 'day trip' visitors seeking a tourism experience which may need to be catered for differently to existing visitors.
- The 2013/14 cruise season in Fremantle was very successful, with 31 cruise ships visits bringing more than 60,000 passengers and Cruise & Maritime's 'Astor' home porting for the first of three seasons. Next year is expected to be larger again.
- In late 2013, Western Australia was announced as the host destination for the 2014 Cruise Down Under Conference, a Tourism WA-initiated outcome. The conference will bring delegates from all over the world, and is the jumping-off point for a number of familiarisations for senior executives of cruise companies to see what the State has to offer their passengers.

2.2 FINANCIAL TARGETS

	2013/14 Original Target \$'000	2013/14 Revised Target \$'000	2013/14 Actual \$'000	Variation \$'000
Financial Targets				
Total Cost of Services (approved expense limit)	85,284	83,286	81,038	(2,248)
Net Cost of Services (see Statement of Comprehensive Income)	84,234	81,817	78,875	(2,942)
Total Equity (see Statement of Financial Position)	11,938	9,489	12,500	3,011
Net Increase/(Decrease) in Cash (see Statement of Cash Flows)	(4,350)	(5,917)	(3,983)	1,934
Full-Time Equivalent (FTE) staff level	93.0	94.0	98.5	4.5

Total Cost of Services

	\$'000
Original Target / Approved expense limit - 2013/14 State Budget papers	85,284
Approved adjustments during 2013/14:	
Caravan and Camping Action Plan - transfer of Royalties for Regions budget to other government agencies	(3,985)
Update to revenue estimates (with corresponding expenditure budget increases)	757
Enhanced voluntary separation scheme	659
Royalties for Regions - carryover of expenditure budgets from 2012-13	570
Miscellaneous expense adjustments	1
Revised Target / Approved adjusted 2013/14 expense limit - 2014/15 State Budget Papers	83,286

Explanatory Notes to Variations

Further explanations are contained in Note 33 'Explanatory statement' to the financial statements.

Total Cost of Services

The variance/underspend of \$2.2 million between the Actual Total Cost of Services and the Adjusted Expense Limit is mainly due to the advertising freeze announced by Government in April 2014, underspends in the agency's Royalties for Regions programs (requested to be carried forward to 2014/15) and a favourable variance in depreciation/amortisation for the year.

Net Cost of Services

The variance in Net Cost of Services is the result of the expenditure variance detailed under Total Cost of Services and higher than anticipated revenue recorded during the year.

Total Equity

The difference in equity against the revised target is mainly due to the variation explained in Net Cost of Services above.

Net Increase/(Decrease) in Cash

The difference in the movement in cash is mainly the result of the \$2.2million variation reported against Total Cost of Services less the depreciation/amortisation (non-cash) component of the 2013/14 underspend.

Full-Time Equivalent (FTE) Staff level

Actual FTEs in 2013/14 are higher than the revised target mainly due to the exclusion of redeployees in the target figures reported in the State Budget papers, as directed by the Department of Treasury.

2.3 KEY PERFORMANCE INDICATORS

Key Effectiveness Indicators

Key effectiveness indicators assist with the assessment of agency performance in the achievement of government desired outcomes.

	2013/14 Target	2013/14 Actual	Outcome
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.8%	Achieved
The number of inbound visitors to Western Australia, from interstate and international sources	1,889,000	2,018,500	Achieved
Western Australia's share of the international visitors to Australia	13.1%	13.0%	Not Achieved
Value of cooperative marketing funds provided by the tourism industry	\$4.6 million	\$8.21 million	Achieved

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.

	2013/14 Target	2013/14 Actual	Outcome
Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend	1 : 164	1 : 173	Achieved
Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events	1 : 7.72	1 : 7.46	Not Achieved

Detailed Key Performance Indicators information can be found on pages 68-73.



3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

- According to international professional services firm Deloitte, tourism is among the world's fastest growing industries. The United Nations World Tourism Organisation (UNWTO) predicts global tourism growth of four to five per cent in 2014. China is now the largest outbound travel market and continues to underpin the global growth of tourism, whereas travel by Western Australia's traditional international markets (United Kingdom, Germany and the United States of America) is slower. Australians continue to travel around the country and overseas in growing numbers.
- Travel to and within WA increased in the past year. There were 7.7 million overnight visitors to Western Australia, and 14.9 million day trips within WA in the year to March 2014. These numbers represent an 8.6 per cent increase in overnight visitors and a 2.5 per cent increase in intrastate day trips on the previous year. These visitors spent \$8 billion in the State.
- China is now Western Australia's third largest market in terms of visitor spending. As part of the Government's commitment to growing this market, funding has been continued for cooperative marketing activities with airlines and travel agents promoting Western Australia.
- The tourism and events marketplace is incredibly competitive with New South Wales and Victoria investing significantly in major events and the Gold Coast securing 58 per cent share of voice across domestic advertising channels (television, radio, print and online) in 2013. The fluctuating exchange rate and increasingly fragmented media landscape adds further complexity.

Tourism
is among
the world's
fastest
growing
industries

- Air capacity to and within the State has continued to grow with domestic capacity increasing 3.6 per cent and international capacity increasing 15.2 per cent in the past year. Tourism WA continues to work with Perth Airport on attracting new airlines and air services to the State's capital. Encouraging affordable air services to regional Western Australia is also important and Tourism WA undertakes tactical marketing activities with Qantas and Virgin Australia towards achieving this.
- An additional 1,900 hotel rooms are needed in Perth to achieve the State Tourism Strategy goal. Tourism WA has been a driving force behind promoting hotel investment opportunities such as Crown Towers, Elizabeth Quay, Perth City Link and the FESA House site.

Changes in written law

No changes to written law directly affecting Tourism WA were recorded in 2013/14.

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

I have audited the accounts and financial statements of the Western Australian Tourism Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility 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 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.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Tourism Commission at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Western Australian Tourism Commission during the year ended 30 June 2014.

Controls exercised by the Western Australian Tourism 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.

Board's Responsibility for Controls

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Western Australian Tourism Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, 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 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2014.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

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 controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, 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 2014.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical 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 2014 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.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 September 2014

4.2 FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 financial year ended 30 June 2014 and the financial position as at 30 June 2014.

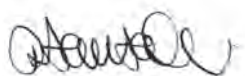
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Howard Cearns
Deputy Chairman
5 September 2014



Diane Smith-Gander
Commissioner
5 September 2014



Renato Sansalone
Chief Financial Officer
5 September 2014

Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	12,430	11,645
Supplies and services	7	24,938	22,499
Depreciation and amortisation expense	8	984	485
Accommodation expenses	9	1,947	2,067
Grants and subsidies	10	759	356
Events operations expenses	11	26,334	24,442
Advertising and promotion expenses	12	13,511	12,439
Other expenses	13	135	123
Total cost of services		81,038	74,056
Income			
Revenue			
User charges and fees		-	11
Interest revenue	14	337	399
Other revenue	15	1,826	1,733
Total Revenue		2,163	2,143
Total income other than income from State Government		2,163	2,143
NET COST OF SERVICES		78,875	71,913
Income from State Government			
Service appropriation	16	61,895	60,786
Resources received free of charge		634	516
Royalties for Regions Fund		13,507	10,762
Total income from State Government		76,036	72,064
(DEFICIT)/SURPLUS FOR THE PERIOD		(2,839)	151
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	28	-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(2,839)	151

See also note 40 '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 2014

	Note	2014 \$'000	2013 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	29	6,687	10,328
Restricted cash and cash equivalents	17, 29	549	891
Receivables	18	1,322	1,816
Prepayments	19	3,005	2,678
Amounts receivable for services	20	475	475
Total Current Assets		12,038	16,188
Non-Current Assets			
Amounts receivable for services	20	5,869	5,652
Property, plant and equipment	22	714	910
Intangible assets	23	1,479	1,970
Other non-current assets	21	114	167
Total Non-Current Assets		8,176	8,699
TOTAL ASSETS		20,214	24,887
LIABILITIES			
Current Liabilities			
Payables	25	4,631	6,309
Provisions	26	2,259	2,402
Other current liabilities	27	86	164
Total Current Liabilities		6,976	8,875
Non-Current Liabilities			
Provisions	26	682	711
Other non-current liabilities	27	56	112
Total Non-Current Liabilities		738	823
TOTAL LIABILITIES		7,714	9,698
NET ASSETS		12,500	15,189
EQUITY			
Contributed equity	28	8,943	8,793
Reserves		2,010	2,010
Accumulated surplus		1,547	4,386
TOTAL EQUITY		12,500	15,189

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 2014

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2012	28	6,829	2,010	4,235	13,074
Surplus		-	-	151	151
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	151	151
Transactions with owners in their capacity as owners:					
Capital appropriations		264	-	-	264
Other contributions by owners		1,700	-	-	1,700
Distributions to owners		-	-	-	-
Total		1,964	-	-	1,964
Balance at 30 June 2013		8,793	2,010	4,386	15,189
Balance at 1 July 2013		8,793	2,010	4,386	15,189
Deficit		-	-	(2,839)	(2,839)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(2,839)	(2,839)
Transactions with owners in their capacity as owners:					
Capital appropriations		150	-	-	150
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		150	-	-	150
Balance at 30 June 2014		8,943	2,010	1,547	12,500

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 2014

	Note	2014 \$'000	2013 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		61,203	60,044
Capital appropriation		150	1,964
Holding account drawdown		475	475
Royalties for Regions Fund		13,507	10,762
Net cash provided by State Government		75,335	73,245
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(12,425)	(12,010)
Supplies and services		(25,155)	(23,154)
Accommodation		(1,780)	(2,690)
Grants and subsidies		(722)	(419)
GST payments on purchases		(6,107)	(5,845)
Event operations payments		(26,197)	(25,279)
Advertising and promotion payments		(14,901)	(11,664)
Other payments		(32)	(656)
Receipts			
User charges and fees		-	8
Interest received		369	388
GST receipts on sales		132	141
GST receipts from taxation authority		6,417	5,045
Other receipts		1,477	1,408
Net cash used in operating activities	29	(78,924)	(74,727)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(394)	(1,806)
Receipts			
Proceeds from sale of non-current assets		-	-
Net cash used in investing activities		(394)	(1,806)
Net (decrease) in cash and cash equivalents		(3,983)	(3,288)
Cash and cash equivalents at the beginning of the period		11,219	14,507
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29	7,236	11,219

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 2014

Note 1. Australian Accounting Standards

General

The Western Australian Tourism Commission's (WATC) financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The WATC has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The WATC cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurers Instruction (TI) 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the WATC for the annual reporting period ended 30 June 2014.

Note 2. Summary of significant accounting policies

(a) General statement

The WATC is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the WATC's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Western Australian Tourism Commission referred to as Tourism WA. There are no related bodies. See note 37 'Related Bodies'.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made 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 TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

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

Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Service appropriations

Service appropriations are recognised as revenues at fair value in the period in which the WATC gains control of the appropriated funds. The WATC gains control of appropriated funds at the time those funds are deposited to the WATC's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the WATC obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the WATC obtains control over the funds. The WATC obtains control of the funds at the time the funds are deposited into the WATC's bank account.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non current assets.

(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. 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).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

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.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 22 'Property, plant and equipment'.

Depreciation

All non-current assets 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 using the straight-line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Furniture, fittings and equipment	5 to 10 years
Computer equipment	3 to 5 years
Leasehold improvements	Term of lease

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. 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.

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight-line basis. All intangible assets controlled by the WATC have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Campaign Production Costs	3 years
Development Costs	3 to 5 years
Software and website development ^(a)	3 to 5 years

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

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, licensing, 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 expensed when incurred.

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.

Computer software

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 costing less than \$5,000 is expensed in the year of acquisition.

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 operating 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.

(h) Impairment of assets

Property, plant and equipment, and intangible assets, are tested for any indication of impairment at the end of each reporting period. 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 recoverable amount, an impairment loss is recognised in profit or loss. As the WATC is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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 falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(i) Leases

The Department of Finance – Building Management and Works holds operating leases for head office buildings on behalf of the WATC. Lease payments are expensed on a straight-line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial instruments

In addition to cash and bank overdraft, the WATC has three categories of financial instrument:

- Receivables;
- Financial liabilities measured at amortised cost; and
- Available for sale financial assets.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - o Cash and cash equivalents
 - o Restricted cash and cash equivalents
 - o Receivables
 - o Amounts receivable for services
 - o Other non-current assets
- Financial Liabilities
 - o Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement for all financial instruments other than available for sale financial assets, is at amortised cost using the effective interest method. Available for sale financial assets are subsequently measured at fair value.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(k) Cash and cash equivalents

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, and bank overdrafts.

(l) Accrued salaries

Accrued salaries (see note 25 'Payables') represent the amount due to staff but unpaid at the end of the financial year.

Accrued salaries are settled within a fortnight of the financial year end. The WATC considers the carrying amount of accrued salaries to be equivalent to its fair value.

(m) Amounts receivable for services (holding account)

The WATC receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the WATC will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(o) Payables

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

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the WATC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the WATC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the WATC has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The WATC makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the WATC's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole of government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the WATC to GESB extinguishes the agency's obligations to the related superannuation liability.

The WATC has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the WATC to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the WATC's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(q) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

(r) Resources received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and the WATC would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Foreign Currency

Transactions in foreign currencies are initially recorded by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign currency differences arising on retranslation are recognised as a profit or loss.

The WATC performs international marketing in countries such as the UK, Germany, Singapore, China, USA, Japan and New Zealand and has exposure to movements in foreign currency exchange rates on some contracts that are denominated in foreign currencies. From 2010/11, the WATC policy to minimise the risks associated with foreign currency fluctuations required that in all cases where the total contracted or committed amount exceeded AUD\$100,000, at least 80 per cent of the foreign exchange exposure arising from international contracts be covered by forward purchase arrangements of the required foreign currency through the WA Treasury Corporation.

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Such derivative financial instruments are initially recognised at fair value and subsequently re-measured to fair value. At balance date, the carried asset and liability is the fair value of the derivative, i.e. the forward exchange contract.

For the purpose of hedge accounting, hedges are classified as fair value hedges or as cash flow hedges. A hedge of the foreign currency risk of a firm commitment is accounted for as a fair value hedge.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

Fair value hedges are hedges of exposure to changes in fair value of a recognised asset or liability that is attributable to foreign currency risk and could affect profit or loss. At balance date, the carrying amount of the hedged item is adjusted for gains or losses attributable to the risk hedged, and the hedging instrument is re-measured to fair value and the gains and losses of both are taken to profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

(t) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The WATC evaluates these judgements regularly.

Operating lease commitments

The WATC 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.

Note 4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the WATC's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The WATC has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the WATC.

AASB 13	<i>Fair Value Measurement</i>	This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.
AASB 119	<i>Employee Benefits</i>	This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The WATC assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.
AASB 1048	<i>Interpretation of Standards</i>	This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.
AASB 2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i>	This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.
AASB 2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 and 2011-18 and Int 14]</i>	This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]*
- This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]*
- This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 and 2011-8]*
- This Standard amends the mandatory effective date of AASB 9 *Financial Instruments* to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.
- AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039*
- The withdrawal of Int 1039 *Substantive Enactment of Major Tax Bills in Australia* has no financial impact for the WATC during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 and 2011-7 and Int 12]*
- The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*
- Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

Future impact of Australian Accounting Standards not yet operative

The WATC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the WATC has not applied early any of the following Australian Accounting Standards that have been issued that may impact upon the WATC. Where applicable, the WATC plans to apply these Australian Accounting Standards from their application date (1 July following the operative date).

		Operative for reporting periods beginning on/after
Int 21	<p><i>Levies</i></p> <p>This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Authority at reporting date.</p>	1 Jan 2014
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. The adoption of the new Standards has no financial impact for the WATC as it does not impact accounting for related bodies and the WATC has no interests in other entities.</p>	1 Jan 2014
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i>, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact for the WATC as the new Standard continues to require the recognition of the WATC's share of assets and share of liabilities for the unincorporated joint operation.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 14	<p><i>Regulatory Deferral Accounts</i></p> <p>The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, removing the consolidation requirements of the earlier Standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of clarifications for the accounting treatments of changed ownership interest.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the WATC as it does not hold investments in associates and the accounting treatments for joint operations is consistent with current practice.</p>	1 Jan 2014
AASB 1031	<p><i>Materiality</i></p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>	1 Jan 2014

		Operative for reporting periods beginning on/after
AASB 1055	<i>Budgetary Reporting</i> This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The WATC will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.	1 Jul 2014
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Int 10 and 12]</i> [modified by AASB 2010-7]	1 Jan 2015
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The WATC has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 2011-7	<i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i> This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The WATC has not yet determined the application or the potential impact of the Standard.	1 Jan 2014
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i> This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.	1 Jan 2014
AASB 2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i> This Standard introduces editorial and disclosure changes. There is no financial impact.	1 Jan 2014
AASB 2013-4	<i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i> This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. There is no financial impact for the WATC as all hedging instruments are extinguished by the end of the reporting period.	1 Jan 2014
AASB 2013-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 and 1049]</i> The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.	1 Jan 2014
AASB 2013-9	<i>Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments</i> This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The WATC has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.	1 Jan 2014 1 Jan 2017
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i> The WATC has not yet determined the application or the potential impact of this Standard.	1 Jul 2014 1 Jan 2015 1 Jan 2016 1 Jan 2018

Note 6. Employee benefits expense

	2014	2013
	\$'000	\$'000
Wages and salaries (a)	9,689	9,700
Voluntary separation payments (b)	664	-
Superannuation – defined contribution plans (c)	947	902
Other staffing costs	1,130	1,043
	12,430	11,645

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Represents payments made under the 2013/14 enhanced voluntary separation scheme

(c) Defined contribution plans include West State, Gold State and GESBSS and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 13 'Other expenses'.

Employment on-costs liability is included at note 26 'Provisions'.

Note 7. Supplies and services

	2014	2013
	\$'000	\$'000
Commissioners' fees and charges	328	276
Communications expenses	399	311
Computer expenses	1,164	1,324
Contracts for service	8,724	9,108
General administration expenses	2,518	2,065
Insurance	83	91
Marketing services	3,887	3,724
Operating lease, rental and hire costs	588	412
Printing and stationery	44	42
Professional services (a)	4,539	3,225
Research	1,534	819
Travel	930	900
Vehicles	200	202
	24,938	22,499

(a) Includes audit fees. See also note 36 'Remuneration of Auditor'.

Note 8. Depreciation and amortisation expense

	2014	2013
	\$'000	\$'000
<u>Depreciation</u>		
Leasehold improvements	1	-
Furniture, fittings and equipment	306	291
Computer equipment	47	35
Total depreciation	354	326
<u>Amortisation</u>		
Software and website development	42	24
Development costs	162	135
Campaign production costs	426	-
Total amortisation	630	159
Total depreciation and amortisation	984	485

Note 9. Accommodation expenses

	2014	2013
	\$'000	\$'000
Cleaning	75	63
Lease rentals	1,357	1,186
Utilities	102	153
Repairs and maintenance	413	665
Total	1,947	2,067

Note 10. Grants and subsidies

	2014	2013
	\$'000	\$'000
Sponsorships	711	332
Other grants	48	24
	759	356

Note 11. Events operations expense

	2014	2013
	\$'000	\$'000
<u>Event sponsorship by funding source:</u>		
Consolidated Account	18,195	16,958
Royalties for Regions Fund – Regional Events Program	7,498	6,823
Private sector contributions	641	661
	26,334	24,442

Note 12. Advertising and promotion expenses

	2014	2013
	\$'000	\$'000
Promotions and co-operative campaigns	11,509	10,682
Collateral – production and distribution	523	524
Familiarisation visits	1,387	1,131
Multimedia and audiovisual	92	102
	13,511	12,439

Note 13. Other expenses

	2014	2013
	\$'000	\$'000
Employment on-costs	21	83
Loss on disposal of non-current assets	52	-
Loss on foreign exchange	9	34
Miscellaneous expenses	53	6
	135	123

Note 14. Interest revenue

	2014 \$'000	2013 \$'000
Interest revenue – general bank account	337	399
	337	399

Note 15. Other revenue

	2014 \$'000	2013 \$'000
Industry contributions and sponsorship	1,030	1,201
Travel agents' commissions	47	40
Miscellaneous revenue	749	492
	1,826	1,733

Note 16. Income from State Government

	2014 \$'000	2013 \$'000
Appropriation received during the period:		
Service appropriations (a)	61,895	60,786
	61,895	60,786
Services received free of charge from other State government agencies during the period:		
- Department of Finance	281	272
- State Solicitor's Office	28	22
- WA Land Information Authority	325	222
	634	516
Royalties for Regions Fund:		
- Regional Community Services Account (b)	13,507	10,762
	76,036	72,064

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liability during the year.

(b) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and for 2014 comprises funding of \$9.552m for Regional Events (2013: \$8.42m), \$1.623m for a Regional Tourism Marketing Program (2013: \$1.34m), \$1.294m for a Kimberley Science and Conservation Strategy (2013: 0.67m), \$0.33m towards the WA Indigenous Tourism Operators Council (WAITOC) (2013: \$0.33m), \$0.705m for implementation of the Caravan and Camping Action Plan and \$3,000 for regional workers incentives allowance payments (2013: \$2,000).

Note 17. Restricted cash and cash equivalents

	2014 \$'000	2013 \$'000
<u>Current</u>		
Royalties for Regions Fund (a)	549	891
	549	891

(a) Unspent funds are committed to projects and programs in WA regional areas

Note 18. Receivables

	2014 \$'000	2013 \$'000
<u>Current</u>		
Receivables	63	146
Allowance for impairment of receivables	-	-
Accrued revenue	219	122
Hopman Cup receivable (a)	431	279
GST receivable	609	1,269
	1,322	1,816
<u>Hopman Cup receivable (a)</u>		
Distribution due at start of period	279	91
- Plus share of profits for the current event	152	279
	431	370
Less distribution received	-	(91)
Balance due at end of period	431	279
Total receivables	1,322	1,816

The WATC does not hold any collateral or other credit enhancements as security for receivables.

(a) Hopman Cup receivable

The Hopman Cup is an international tennis event. Since February 2001, the organisation of the event has been undertaken by the International Tennis Federation. Under contract, the WATC is entitled to 25 per cent of the profits of the venture. Under an agreement with Hopman Cup Pty Ltd, the WATC is required to meet the first \$2,000,000 of any loss or deficit that may arise from the event. The current arrangements expire after the 2014 event. A new agreement has been entered into effective from the 2015 event that sees the removal of the profit share and underwriting arrangements.

Note 19. Prepayments

	2014 \$'000	2013 \$'000
Event sponsorship	2,623	2,499
Other	382	179
	3,005	2,678

Note 20. Amounts receivable for services (Holding Account)

	2014 \$'000	2013 \$'000
Current	475	475
Non-current	5,869	5,652
	6,344	6,127

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Note 21. Other non-current assets

	2014 \$'000	2013 \$'000
Investments (a)	114	167
Total non-current	114	167

(a) The WATC holds an 11.94 per cent interest (2013: 11.94%) in the Australian Tourism Data Warehouse Pty Ltd (ATDW), which is classified as an available-for-sale asset in accordance with AASB 139. 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.

Note 22. Property, plant and equipment

	2014 \$'000	2013 \$'000
<u>Leasehold improvements</u>		
At cost	26	26
Accumulated depreciation	(19)	(18)
	7	8
<u>Furniture, fittings and equipment</u>		
At cost	2,866	3,026
Accumulated depreciation	(2,301)	(2,155)
	565	871
<u>Computer equipment</u>		
At cost	639	674
Accumulated depreciation	(497)	(643)
	142	31
Total	714	910

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
	\$'000	\$'000	\$'000	\$'000
2014				
Carrying amount at start of period	8	871	31	910
Additions	-	-	158	158
Transfers	-	-	-	-
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	(1)	(306)	(47)	(354)
Carrying amount at end of period	7	565	142	714
	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
	\$'000	\$'000	\$'000	\$'000
2013				
Carrying amount at start of period	8	1,018	38	1,064
Additions	-	144	28	172
Transfers	-	-	-	-
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	-	(291)	(35)	(326)
Carrying amount at end of period	8	871	31	910

(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.

Note 23. Intangible assets

	2014 \$'000	2013 \$'000
<u>Software and website development</u>		
At cost	125	125
Accumulated amortisation	(66)	(24)
	59	101
<u>Development costs</u>		
At cost	556	439
Accumulated amortisation	(377)	(214)
	179	225
<u>Campaign production costs</u>		
At cost	1,667	-
Work in progress - at cost	-	1,644
Accumulated amortisation	(426)	-
	1,241	1,644
	1,479	1,970
Reconciliations:		
<u>Software and website development</u>		
Carrying amount at start of period	101	-
Additions	-	125
Adjustments	-	-
Disposals	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(42)	(24)
Carrying amount at end of period	59	101
<u>Development costs</u>		
Carrying amount at start of period	225	321
Additions	116	39
Adjustments	-	-
Disposals	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(162)	(135)
Carrying amount at end of period	179	225
<u>Campaign production costs</u>		
Carrying amount at start of period	1,644	-
Additions	23	1,644
Adjustments	-	-
Disposals	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(426)	-
Carrying amount at end of period	1,241	1,644

Note 24. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2014.

The WATC 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.

All surplus assets at 30 June 2014 have either been classified as assets held for sale or written off.

Note 25. Payables

	2014 \$'000	2013 \$'000
Current		
Trade payables	1,156	2,149
Other payables	52	53
Accrued salaries	332	230
Accrued expenses	3,091	3,877
Total current	4,631	6,309

Note 26. Provisions

	2014 \$'000	2013 \$'000
Current		
<i>Employee benefits provision</i>		
Annual leave (a)	950	1,064
Long service leave (b)	996	1,044
Purchased leave	2	-
	1,948	2,108
<i>Other provisions</i>		
Employment on-costs (c)	311	294
	311	294
	2,259	2,402
Non-current		
<i>Employee benefits provision</i>		
Long service leave (b)	581	609
	581	609
<i>Other provisions</i>		
Employment on-costs (c)	101	102
	101	102
	682	711

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2014 \$'000	2013 \$'000
Within 12 months of the end of the reporting period	620	747
More than 12 months after the end of the reporting period	330	317
	950	1,064

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2014 \$'000	2013 \$'000
Within 12 months of the end of the reporting period	330	479
More than 12 months after the end of the reporting period	1,247	1,174
	1,577	1,653

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 13 'Other expenses'.

Movements in other provisions

	2014 \$'000	2013 \$'000
Movements in each class of provisions during the period, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	396	478
Additional provisions recognised	16	-
Payments/other sacrifices of economic benefits	-	(82)
Unwinding of the discount	-	-
Carrying amount at end of period	412	396

Note 27. Other liabilities

	2014 \$'000	2013 \$'000
<u>Current</u>		
Income in advance	28	-
Lease incentive liability (a)	56	161
Other	2	3
Total current	86	164
<u>Non-current</u>		
Lease incentive liability (a)	56	112
Total non-current	56	112

(a) The amounts shown against lease incentive liabilities represent the inducement offered by the WATC's lessor to enter into a non-cancellable operating lease and relocate to the lessor's building. The incentive comprises a rent-free period and the assumption by the lessee of certain fit-out costs. The liability is reduced on a straight-line basis over the term of the lease.

Note 28. Equity

The Western Australian Government holds the equity interest in the WATC on behalf of the community. Equity represents the residual interest in the net assets of the WATC. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

	2014 \$'000	2013 \$'000
Balance at start of period	8,793	6,829
<u>Contributions by owners</u>		
Capital appropriation	150	264
<u>Other contributions by owners</u>		
Royalties for Regions Fund – Regional Community Services Account	-	1,700
Total contributions by owners	150	1,964
Balance at end of period	8,943	8,793

Reserves

	2014 \$'000	2013 \$'000
<u>Asset revaluation surplus</u>		
Balance at start of period	2,010	2,010
Net revaluation increments/(decrements)	-	-
Balance at end of period	2,010	2,010

Accumulated surplus

	2014 \$'000	2013 \$'000
Balance at start of period	4,386	4,235
Result for the period	(2,839)	151
Income and expense recognised directly in equity	-	-
Balance at end of period	1,547	4,386
Total equity at end of period	12,500	15,189

Note 29. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2014 \$'000	2013 \$'000
Cash and cash equivalents	6,687	10,328
Restricted cash and cash equivalents	549	891
	7,236	11,219

Reconciliation of net cost of services to net cash flows used in operating activities

	2014 \$'000	2013 \$'000
Net cost of services	(78,875)	(71,913)
<u>Non-cash items</u>		
Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	984	485
Services received free of charge (note 16 'Income from State Government')	634	516
Loss on foreign exchange (note 13 'Other expenses')	9	-
<u>(Increase)/decrease in assets</u>		
Current receivables (a)	(166)	(231)
Other current assets	(327)	(1,969)
Other non-current assets	53	(22)
<u>Increase/(decrease) in liabilities</u>		
Current payables (a)	(1,678)	(655)
Current provisions	(143)	60
Other current liabilities	(78)	(58)
Non-current provisions	(29)	52
Other non-current liabilities	(56)	(161)
Net GST receipts/(payments) (b)	442	(659)
Change in GST in receivables/payables (c)	306	(172)
Net cash used in operating activities	(78,924)	(74,727)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 30. Commitments

The commitments detailed below are inclusive of GST.

Non-cancellable operating lease commitments

	2014 \$'000	2013 \$'000
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the Financial Statements are payable as follows:		
Within 1 year	1,860	1,419
Later than 1 year and not later than 5 years	1,301	1,350
	3,161	2,769

The WATC leases its motor vehicles from State Fleet, a division of the Department of Finance. Property is rented under lease to the Honourable Minister for Housing and Works. 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.

Other expenditure commitments

	2014 \$'000	2013 \$'000
Other expenditure commitments in relation to the sponsorship of events within Western Australia, the funding of Regional Tourism Organisations for intrastate marketing and other awarded contracts for operational activities that were contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	35,837	39,288
Later than 1 year and not later than 5 years	18,110	51,637
	53,947	90,925

Note 31. Contingent liabilities and contingent assets

The WATC has no contingent assets or liabilities at reporting date.

Note 32. Events occurring after the end of the reporting period

The Statement of Comprehensive Income and the 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.

Note 33. Explanatory statement

Significant variations between estimates and actual results for 2014 and between the actual results for 2013 and 2014 are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

It should be noted that 2014 Estimate figures in the table below do not match Income Statement category estimates contained in the 2013/14 Budget Statements due to categorisation differences between Tourism WA's financial statements and the budget statements. As a result, and for comparative purposes against 2014 actuals, estimates below represent the budget estimate categories after the recategorisation adjustments. The total cost of services and total income as reported in the 2013/14 Budget Statements remain unchanged.

Significant variances between estimated and actual result for 2014

	2014 Estimate \$'000	2014 Actual \$'000	Variation \$'000
<u>Expenses</u>			
Depreciation and amortisation expense	1,259	984	(275)
Grants and subsidies	4,250	759	(3,491)
Other expenses	27	135	108
<u>Income</u>			
Interest revenue	250	337	87
Other revenue	800	1,826	1,026
Resources received free of charge	112	634	522
Royalties for Regions Fund	17,607	13,507	(4,100)

Depreciation and amortisation expense

Actual depreciation and amortisation expense was less than estimated mainly due to the commissioning of two brand films three months later than originally anticipated.

Grants and subsidies

The estimate for grants and subsidies included Caravan and Camping Action Plan funding (Royalties for Regions) of \$3.875million that was removed from the WATC's budget during the year and provided directly to other State Government agencies involved in the project.

Other expenses

Other expenses during the year that were not anticipated when the budget was formulated included a decrease to the WATC's investment in the Australian Tourism Data Warehouse (ATDW), a loss on the disposal of a signage asset and a net loss on foreign exchange transactions.

Interest revenue

Interest revenue exceeded estimates due to higher than anticipated interest-bearing cash balances throughout the year.

Other revenue

Higher contributions from industry, compared to original estimates, were received for domestic and international cooperative marketing activities, event-related sponsorships and airline in-kind sponsorships. Revenue budgets in the agency's forward estimates were updated during the year for some of these items as part of Government's Mid Year Budget Review process.

Resources received free of charge

Against original estimates, the variation is due to free data provided by the WA Land Information Authority for use by the WATC in its smart device application and higher procurement and accommodation services provided by the Department of Finance. These estimates were updated during the Government's 2013/14 Mid Year Budget Review process.

Royalties for Regions Fund

Original Royalties for Regions funding estimates included \$3.875million in Caravan and Camping Action Plan funding that, during the year, was removed from the WATC's budget and provided directly to other State Government agencies.

Significant variances between actual results for 2013 and 2014

	2014 \$'000	2013 \$'000	Variance \$'000
Expenses			
Supplies and services	24,938	22,499	2,439
Depreciation and amortisation expense	984	485	499
Grants and subsidies	759	356	403
Income			
Interest revenue	337	399	(62)
Resources received free of charge	634	516	118
Royalties for Regions Fund	13,507	10,762	2,745

Supplies and services

The increase in supplies and services expenditure covers a broad range of expenditure across the agency, including increased expenditure on all Royalties for Regions programs; additional research conducted for various marketing and event-related activity; increased digital activity particularly in the development of the consumer website; costs associated with the Taste Master initiative; increased public relations activities; expenditure on licences/rights associated with two new brand films; and an increase to resources provided free of charge from other government agencies.

Depreciation and amortisation expense

The increase is mainly due to the amortisation of two brand films commissioned in September 2014.

Grants and subsidies

The increase to grants and subsidies from prior year is largely due to a new three-year sponsorship agreement with the Tourism Council Western Australia that commenced in 2013/14 as well as grants to local government authorities associated with the Caravan and Camping initiative that commenced during the year.

Interest revenue

Interest revenue is less than the prior year due to an anticipated decrease in the agency's cash resources and declining interest rates throughout the year.

Resources received free of charge

Free map data provided by the WA Land Information Authority for use in the WATC's smart device application was greater than the previous year.

Royalties for Regions Fund

Funding was greater than 2013 due to an increase in project expenditure across most of the WATC's Royalties for Regions programs, particularly the Regional Events Program, Regional Tourism Marketing Program and Kimberley Science and Conservation Strategy, as well as the commencement of the Caravan and Camping Action Plan.

Note 34. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the WATC are cash and cash equivalents, restricted cash and cash equivalents, receivables, available for sale financial assets and payables. The WATC has limited exposure to financial risks. The WATC's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the WATC's receivables defaulting on their contractual obligations resulting in financial loss to the WATC.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 34(c) 'Financial instruments disclosures' and note 18 'Receivables'.

Credit risk associated with the WATC's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the WATC seeks to trade only with recognised, creditworthy third parties. The WATC has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the WATC's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the WATC is unable to meet its financial obligations as they fall due.

The WATC is exposed to liquidity risk through its trading in the normal course of business.

The WATC has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the WATC's income or the value of its holdings of financial instruments. The WATC's activities expose it to a variety of financial/market risks, including currency risks. The WATC's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the WATC. The WATC uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures.

The WATC's exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents as detailed in the interest rate sensitivity analysis table at note 34(c) 'Financial instrument disclosures'. The WATC has no borrowings outstanding at reporting date.

Currency risk

In 2013/14, the WATC policy to minimise the risks associated with foreign currency fluctuations required that in all cases where the total contracted or committed amount exceeded AUD \$100,000, at least 80 per cent of the foreign exchange exposure arising from international contracts be covered by forward purchase arrangements of the required foreign currency through the WA Treasury Corporation.

(b) Categories of 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:

	2014 \$'000	2013 \$'000
Financial Assets		
Cash and cash equivalents	6,687	10,328
Restricted cash and cash equivalents	549	891
Receivables (a)	713	547
Amounts receivable for services	6,344	6,127
Available for sale asset	114	167
Financial Liabilities		
Financial liabilities measured at amortised cost	4,631	6,309

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the WATC's maximum exposure to credit risk and the ageing analysis of financial assets. The WATC's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the WATC.

The WATC does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
2014							
Cash and cash equivalents	6,687	6,687	-	-	-	-	-
Restricted cash and cash equivalents	549	549	-	-	-	-	-
Receivables (a)	713	713	-	-	-	-	-
Amounts receivable for services	6,344	6,344	-	-	-	-	-
Available for sale asset	114	114	-	-	-	-	-
	14,407	14,407	-	-	-	-	-
2013							
Cash and cash equivalents	10,328	10,328	-	-	-	-	-
Restricted cash and cash equivalents	891	891	-	-	-	-	-
Receivables (a)	547	542	4	1	-	-	-
Amounts receivable for services	6,127	6,127	-	-	-	-	-
Available for sale asset	167	167	-	-	-	-	-
	18,060	18,055	4	1	-	-	-

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

Liquidity risk and interest rate exposure

The following table details the WATC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$'000	\$'000	\$'000	\$'000
2014					
<u>Financial Assets</u>					
Cash and cash equivalents	2.65	6,687	-	6,644	43
Restricted cash and cash equivalents	2.27	549	-	549	-
Receivables (a)	-	713	-	-	713
Amounts receivable for services	-	6,344	-	-	6,344
Available for sale asset	-	114	-	-	114
		14,407	-	7,193	7,214
<u>Financial Liabilities</u>					
Payables	-	4,631	-	-	4,631
		4,631	-	-	4,631

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$'000	\$'000	\$'000	\$'000
2013					
<u>Financial Assets</u>					
Cash and cash equivalents	3.26	10,328	5,000	5,239	89
Restricted cash and cash equivalents	2.89	891	-	891	-
Receivables (a)	-	547	-	-	547
Amounts receivable for services	-	6,127	-	-	6,127
Available for sale asset	-	167	-	-	167
		18,060	5,000	6,130	6,930
<u>Financial Liabilities</u>					
Payables	-	6,309	-	-	6,309
		6,309	-	-	6,309

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

Nominal Amount	Maturity dates				
	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6,687	6,687	-	-	-	-
549	549	-	-	-	-
713	713	-	-	-	-
6,344	-	-	475	1,900	3,969
114	114	-	-	-	-
14,407	8,063	-	475	1,900	3,969
4,631	4,631	-	-	-	-
4,631	4,631	-	-	-	-

Nominal Amount	Maturity dates				
	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
10,328	10,328	-	-	-	-
891	891	-	-	-	-
547	547	-	-	-	-
6,127	-	-	475	1,900	3,752
167	167	-	-	-	-
18,060	11,933	-	475	1,900	3,752
6,309	6,309	-	-	-	-
6,309	6,309	-	-	-	-

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the WATC's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1 per cent change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2014					
<u>Financial Assets</u>					
Cash and cash equivalents	6,644	(66)	(66)	66	66
Restricted cash and cash equivalents	549	(5)	(5)	5	5
Total Increase/(Decrease)		(71)	(71)	71	71

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2013					
<u>Financial Assets</u>					
Cash and cash equivalents	5,239	(52)	(52)	52	52
Restricted cash and cash equivalents	891	(9)	(9)	9	9
Total Increase/(Decrease)		(61)	(61)	61	61

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Note 35. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2014	2013
\$		
10,001 – 20,000	-	1
30,001 – 40,000	7	6
40,001 – 50,000	1	1
50,001 – 60,000	1	-
60,001 – 70,000	-	1
	\$'000	\$'000
Base remuneration and superannuation	351	340
Other benefits	5	5
The total remuneration of members of the accountable authority	356	345

The total remuneration includes the superannuation expense incurred by the WATC in respect of members of the accountable authority.

Remuneration of senior officers

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

	2014	2013
Remuneration Band (\$)		
0 – 10,000	1	-
20,001 – 30,000	-	1
30,001 – 40,000	1	-
60,001 – 70,000	1	-
70,001 – 80,000	-	1
120,001 – 130,000	-	1
140,001 – 150,000	-	1
150,001 – 160,000	-	1
160,001 – 170,000	1	-
180,001 – 190,000	1	-
190,001 – 200,000	1	1
250,001 – 260,000	1	-
260,001 – 270,000	-	2
270,001 – 280,000	1	-
350,001 – 360,000	-	1
360,001 – 370,000	1	-
	\$'000	\$'000
Base remuneration and superannuation	1,446	1,423
Annual and long service leave accruals	41	95
Other benefits	58	104
The total remuneration of senior officers	1,545	1,622

The total remuneration includes the superannuation expense incurred by the WATC in respect of senior officers other than senior officers reported as members of the accountable authority. Senior officers are defined as those officers who sat on the Executive Management Team for part or all of the financial year. One new position was added to the Executive Management Team in June 2014.

Note 36. Remuneration of auditor

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

	2014 \$'000	2013 \$'000
Auditing the accounts, financial statements and performance indicators	106	100

Note 37. Related bodies

There are no related bodies.

Note 38. Affiliated bodies

Perth Convention Bureau

The WATC 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 the WATC. This contract became effective on 1 July 2012 and expires on 30 June 2016.

The WATC 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 the WATC prior to implementation. The PCB is not subject to operational control by the WATC. The PCB received more than 50 per cent of its total funding from the WATC in 2013/14.

Payments inclusive of GST made to the PCB in 2013/14 totalled \$3,950,100 (2012/13: \$3,861,000).

Regional Tourism Organisations

On 1 July 2010, the WATC 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 Experience Perth, Australia's Coral Coast, Australia's Golden Outback, Australia's South West and Australia's North West. These contracts are due to expire on 30 June 2015.

The RTOs are not subject to operational control by the WATC, but are required to submit their annual business plan for approval prior to implementation. All five RTOs received more than 50 per cent of their total funding from the WATC in 2013/14.

Base payments, inclusive of GST, made to each RTO in 2013/14 were \$715,250 (2012/13: \$707,003). Total additional payments made to the RTOs in 2013/14 for other activities were \$398,765 (2012/13: \$531,213).

Western Australian Indigenous Tourism Operators Council

The WATC entered into a three-year Marketing and Services Agreement with the Western Australian Indigenous Tourism Operators Council (WAITOC) to promote Aboriginal tourism experiences in Western Australia. This contract expired on 30 June 2013 and a similar agreement was entered into for the 2013/14 year.

WAITOC is not subject to operational control by the WATC but received more than 50 per cent of its total funding from the WATC in 2013/14.

Total payments, inclusive of GST, made to WAITOC in 2013/14 were \$516,000 (2012/13: \$489,896).

Note 39. Supplementary financial information

(a) Write-offs

	2014 \$'000	2013 \$'000
Public property written off by the Executive Council during the financial year	-	-

(b) Losses through theft, defaults and other causes

	2014 \$'000	2013 \$'000
Losses of public moneys and public and other property through theft or default	-	-

(c) Gifts of public property

	2014 \$'000	2013 \$'000
Gifts of public property provided by the WATC	11	-

Note 40. Schedule of income and expenses by service

	Marketing		Event Tourism		Investment & Infrastructure		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
COST OF SERVICES								
<u>Expenses</u>								
Employee benefits expense	6,269	5,849	3,548	3,158	2,613	2,638	12,430	11,645
Supplies and services	18,646	16,830	3,649	2,632	2,643	3,037	24,938	22,499
Depreciation and amortisation expense	723	262	160	127	101	96	984	485
Accommodation expenses	1,332	1,379	379	396	236	292	1,947	2,067
Grants and subsidies	388	213	142	80	229	63	759	356
Event operations expenses	-	-	26,334	24,442	-	-	26,334	24,442
Advertising and promotion expenses	11,076	9,842	2,226	2,273	209	324	13,511	12,439
Other expenses	72	72	38	29	25	22	135	123
Total cost of services	38,506	34,447	36,476	33,137	6,056	6,472	81,038	74,056
<u>Income</u>								
User charges and fees	-	6	-	3	-	2	-	11
Interest revenue	179	215	96	105	62	79	337	399
Other revenue	991	693	814	940	21	100	1,826	1,733
	1,170	914	910	1,048	83	181	2,163	2,143
Total income other than income from State Government	1,170	914	910	1,048	83	181	2,163	2,143
NET COST OF SERVICES	37,336	33,533	35,566	32,089	5,973	6,291	78,875	71,913
INCOME FROM STATE GOVERNMENT								
Service appropriation	32,156	31,401	24,637	23,998	5,102	5,387	61,895	60,786
Resources received free of charge	490	279	88	135	56	102	634	516
Royalties for Regions Fund	2,703	1,670	9,553	8,420	1,251	672	13,507	10,762
Total income from State Government	35,349	33,350	34,278	32,553	6,409	6,161	76,036	72,064
(Deficit)/surplus for the period	(1,987)	(183)	(1,288)	464	436	(130)	(2,839)	151

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

4.3 KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2014

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 30 June 2014.



Howard Cearns

DEPUTY CHAIRMAN
5 September 2014



Diane Smith-Gander

COMMISSIONER
5 September 2014

KEY PERFORMANCE INDICATORS

The following Key Performance Indicators (KPIs) reflect the direction of the agency and were developed in consultation with the Department of Treasury and the Office of the Auditor General (OAG). These KPIs came into effect in July 2011 and this is the third year that they have been reported on.

The government goal that is supported by Tourism WA is "Financial and Economic Responsibility: 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."

The desired outcome that supports this is: Increased competitiveness and viability of the Western Australian tourism industry. 'Competitiveness' reflects the fact that 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 these outcomes. 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. 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).

KPI 1 was achieved.

	2013/14 Target	Results		
		2013/14 Actual	2012/13 Actual	2011/12 Actual
KPI 1				
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.8%	97.7%	97.8%

Notes:

- i. Visitor expectations are measured through the Visitor Expectation and Experience Research.
- ii. This is conducted through a face-to-face survey of intrastate, interstate and international visitors to WA.
- iii. Interviewing takes place across the full year to address seasonality issues. Data is analysed and reported annually.
- iv. The KPI measure is based on a sample size of n=400 visitors for 2013/14.
- v. This was made up of n=148 intrastate, n=101 interstate and n=151 international visitors.
- vi. The response rate for 2013/14 was 80%.
- vii. The confidence interval for the sample of n=400 interviews is +/-5% (+/-4.9%) at the 95% confidence level.

2. The number of inbound visitors to Western Australia, from interstate and international sources.

3. Western Australia's share of the international visitors to Australia.

These two KPIs measure 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.

KPI 2 was achieved. According to Tourism Research Australia data, inbound visitors grew by 8.5%, which can be attributed to higher than expected growth from the interstate market. The 2013/14 inbound visitor target was set at 1,889,000 based on previous TRA estimate of 1,872,800 for 2012/13 (equating to a 0.9% targeted growth).

KPI 3 was not achieved. International visitors to Western Australia grew at a slower rate (+2.1%) than that recorded nationally (+5.6%).

	2013/14 Target	2013/14 Actual	Results	
			2012/13 Actual ^(vi)	2011/12 Actual ^(vi)
KPI 2				
The number of inbound visitors to Western Australia, from interstate and international sources	1,889,000	2,018,500	1,861,100	1,816,900
KPI 3				
Western Australia's share of the international visitors to Australia.	13.1%	13.0%	13.4%	13.5%

Notes:

- i. The results of the National Visitor Survey (NVS) and the International Visitor Survey (IVS) are released by Tourism Research Australia (TRA) each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2013 in this instance). YE December information is used as it is available ahead of each year's State Budget process.
- ii. The NVS figures are based on a large scale telephone survey of Australians at home, while the IVS figures are based on interviews with international tourists at airport departure lounges across Australia.
- iii. Overnight Domestic Visitors Definition: Australian residents aged 15 years and over who spent at least one night away from home in Western Australia.
- iv. Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in WA.
- v. Visitors include those travelling for leisure, business, visiting friends and relatives and education. Visitor numbers shown in KPI 2 are rounded to the nearest 100.
- vi. TRA has made methodology improvements to the IVS, and in April 2014, issued revised data back to July 2004. The revisions affect visitor numbers previously audited and reported for KPI 2 for 2012/13 (YE Dec 2012) and 2011/12 (YE Dec 2011). Previously reported numbers were 1,872,800 and 1,830,900, against targets of 1,830,000 and 1,820,000 respectively. The results for KPI 3 did not change as the revisions for international visitor numbers to Western Australia were proportionately similar to those for Australia overall.

Visitors

- vii. Sample size for Western Australia visitors domestic is 3,935 and international is 6,143.
- viii. Sample size for Australia visitors domestic is 34,336 and international is 40,120.
- ix. Confidence intervals for Western Australia visitors domestic is +/-1.6%, and international is +/-1.3%.
- x. Confidence intervals for Australia visitors domestic is +/-0.6% and international is +/-0.5%. (These confidence intervals are calculated by Tourism WA based on total sample sizes.)
- xi. The response rate for the International Visitor Survey is 67% and the National Visitor Survey is 40%.

4. 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.

KPI 4 was achieved.

	2013/14 Target	2013/14 Actual	Results	
			2012/13 Actual	2011/12 Actual
KPI 4				
Value of cooperative marketing funds provided by the tourism industry	\$4.6 million	\$8.21 million	\$5.97 million	\$5.22 million

Notes:

Domestic Cooperative Marketing

- i. The Domestic cooperative marketing program targets airlines, wholesalers, retailers, direct sell agents, and more recently 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, holiday deals on WA.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, Japan, New Zealand and the USA.
- 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.

KEY EFFICIENCY INDICATORS

5. Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend.

This KPI measures how much it costs government in Destination Marketing and Tourism Investment and Infrastructure spend compared to the total expenditure by visitors in Western Australia, and is expressed as a ratio.

This KPI was achieved.

	2013/14 Target ⁽ⁱ⁾	Results	
		2013/14 Actual	2012/13 Actual ^(v) 2011/12 Actual ^(v)
KPI 5			
Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend	1 : 164	1 : 173	1 : 188 1 : 161

Notes:

- i. A revised target was approved by the Treasurer on 11 June 2014, following an adjustment to Tourism WA's expense limit made part way through the financial year. The original target was 1 : 166.
- ii. The results of the National Visitor Survey (NVS) and the International Visitor Survey (IVS) are released by Tourism Research Australia (TRA) each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2013 in this instance).
- iii. The NVS figures are based on a large scale telephone survey of Australians at home, while the IVS figures are based on interviews with international tourists at airport departure lounges across Australia.
- iv. Spend information is sourced from the Tourism Expenditure Research Program, provided by Tourism Research Australia. The expenditure figures are based on responses from the National and International visitor surveys 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.
- v. YE December information is used as it is available ahead of each year's State Budget process.
- vi. TRA has made methodology improvements to the IVS, and corrections to visitor expenditure estimates, and in April 2014, issued revised data back to July 2004. The revisions affect visitor spend estimates previously audited and reported for KPI 5 for 2012/13 (YE Dec 2012) and 2011/12 (YE Dec 2011). Because the variance for overall visitor expenditure was negligible, the ratios reported previously have not changed. The previously reported figures for KPI 5 were 1:188 and 1:161 based on a visitor expenditure estimate of \$7.5 billion and \$6.3 billion respectively.

Visitor Spend

- vii. Sample size for Western Australia: day trips 2,560; domestic 3,579; international 4,620.
- viii. Sample size for Australia: day trips 20,666; domestic 31,016; international 42,173.
- ix. Confidence intervals for Western Australia: day trips +/- 1.94%; domestic +/- 1.64%; international +/- 1.44% (These confidence intervals are calculated by Tourism WA based on total sample sizes.)
- x. Confidence intervals for Australia: day trips +/- 0.68%; domestic +/- 0.56%; international +/- 0.48%. (These confidence intervals are calculated by Tourism WA based on total sample sizes)
- xi. The response rate for the International Visitor Survey is 67% and the National Visitor Survey is 40%.
- xii. The ratio is shown as: **Destination Marketing and Tourism Investment and Infrastructure Spend compared to Visitor Spend.**

6. Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events.

This KPI measures how much it costs Government in event spending compared to the media impact and economic impact generated as a direct result of the events sponsored by Tourism WA, and is expressed as a ratio.

KPI 6 was not achieved. Direct economic impact results for the Australian Surf Lifesaving Championships and media impact results for the Hopman Cup and Margaret River Pro were lower than estimated.

	2013/14 Target ⁽ⁱ⁾	Results	
		2013/14 Actual	2012/13 Actual ^(viii) 2011/12 Actual ^(viii)
KPI 6			
Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events	1 : 7.72	1 : 7.46	1 : 7.45 1 : 9.56

Notes:

i. A revised target was approved by the Treasurer on 11 June 2014, following an adjustment to Tourism WA's expense limit made part way through the financial year. The original target was 1:7.95.

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.

Media Impact

v. Media Impact (MI) is defined as 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. It is measured by independent media evaluation companies. Media impact is only measured where exposure is secured in one or more of Tourism WA's markets. The majority of television product secures significant exposure in a broad-range of markets outside of Tourism WA's identified priorities. In line with the rest of the Agency, 100% of the Advertising Equivalent Value (AEV) is counted.

vi. The ratio is shown as: **Event Spend compared to ((SEI or REI)+MI).**

vii. The economic and media impact is based on the most current and relevant research for events. In some cases, this research may be from prior periods.

viii. The independent research company contracted by Tourism WA to undertake media impact analysis identified a miscalculation with respect to its analysis and data reported for an event held in 2010, and subsequently notified Tourism WA in July 2014. The miscalculation affects actual results for KPI 6 previously reported for both the 2012/13 and 2011/12 financial years. The corrected results are shown in the table above. The previously reported results are 1:8.09 in 2012/13 (against a target of 1:6.33) and 1:10.35 in 2011/12 (no target was set for that year due to a change in definitions). The result for 2010/11 was also affected and the reported result of 1:3.46 should have been 1:3.28 (against a target of 1:3.36, a variance of -0.08 or -2.4%).

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 2013/14.

4.5 OTHER FINANCIAL DISCLOSURES

4.5.1 CAPITAL WORKS

Tourism WA continued its asset replacement program in 2013/14. This included replacing information and communication technology equipment and further developing the agency's digital assets by improving the functionality and features of our mobile device application. A small amount was spent during the year on the new brand films that 'went live' in September 2014 (the majority of capital costs for the brand films were incurred in 2012/13 using Royalties for Regions funding).

4.5.2 EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

Classification	2013		2014			
	FTE's 2013	FTE	Males%	Females%	Males	Females
L9 & above	5	5	80	20	3	2
Level 8	14.8	12.8	31.2	68.8	4	8.8
Level 7	9.1	11.13	62.9	37.1	7	4.13
Level 6	20.4	20.5	34.1	65.9	7	13.5
Level 5	20.7	19.7	25.4	74.6	5	14.7
Level 4	8	10	20	80	2	8
Level 3	9	12.6	0	100	0	12.6
Level 2	1.6	1.8	0	100	0	1.8
Level 1	0	0	0	0	0	0
Overseas	5	5	80	20	4	1
Total	93.6	98.53	32.5	67.5	32	66.53

Notes: As at 30 June 2014. Data excludes casuals, employees seconded-out not paid by Tourism WA, employees on unpaid parental leave and leave without pay and seconded-in personnel not paid by Tourism WA. Data includes seconded-in personnel paid by Tourism WA and employees on paid parental and other leave.

Staff Development

Human Resources regularly reviews corporate policies and procedures, including recruitment and selection practices.

In 2013/14, Tourism WA:

- Actioned Tourism WA's *Workforce and Diversity Plan 2013-2014* and developed *Tourism WA's Workforce and Diversity Plan 2014-2017*. The plan identifies initiatives that will further develop Tourism WA's capability to continue meeting current and future organisational goals, as well as continue to ensure a diverse and equitable workplace.
- Created a Development and Training Framework to assist with individual professional development and training as identified by manager and employee within local work units.
- Developed Tourism WA's *Occupational Health and Safety Management Plan 2014-2017*. This plan identifies initiatives to further enhance the occupational health and safety of the workplace.
- Participated in the Public Sector Commission's Employee Perception Survey in July/August 2013 and conducted an employee climate survey in March 2014. Results from the surveys have informed planning for whole-of-agency and divisional initiatives relating to the culture of the workplace.
- Conducted the Accountable and Ethical Decision-Making Training Program for Tourism WA staff. This training is part of an ongoing commitment to provide employees with information about accountability requirements to better equip them to deal with situations or issues that they may encounter in their roles.
- Supported secondments both within Tourism WA and to other WA public sector agencies, providing employees with the opportunity to gain on-the-job knowledge and experience in a different working environment and supporting the capability of the public sector.

WORKERS' COMPENSATION

Tourism WA continues a practical claims management approach of focusing on injury management and rehabilitation. As at 30 June 2014, there were zero (0) workers' compensation claims lodged during the 2013/14 period.

Tourism WA's Injury Management Policy and Guidelines are made available to all employees on the intranet, along with other information regarding workers' compensation claims. Advice and support is also provided by Human Resources on a proactive basis following the reporting of any occupational safety and health incidents.

4.6 GOVERNANCE DISCLOSURES

SHARES IN ANOTHER BODY

Tourism WA has shares in the Australian Tourism Data Warehouse Pty Ltd. Details are provided at Note 21 of the Financial Statements.

SENIOR OFFICER INTERESTS

During the year, Tourism WA entered into transactions with an entity in which a senior officer was also a Director, Partner or Member of the Executive. All transactions occurred with 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 (\$)
Peter Prendiville	Commissioner	Cottesloe Beach Hotel	594.50
		Karratha International Hotel	252.75
		Sandalford Wines Pty Ltd	4,216.09
Howard Cearns / Diane Smith-Gander	Commissioners	Swings and Roundabouts Ltd	638.64
Neville Poelina	Commissioner	Uptuyu Aboriginal Adventures	12,450.50
		WAITOC Association Incorporated	525,720.00
Nathan Harding	Commissioner	Australian Tourism Export Council	27,326.72
		Discover West Holidays	214,500.00

BOARD REMUNERATION TABLE

Remuneration of the Board of Commissioners of the Western Australian Tourism Commission in 2013/14 was as follows:

Position	Name	Period of membership	Remuneration (\$)
Chairman	Peter Prendiville	1 July 2013 to 30 June 2014	58,521
Deputy Chairman	Howard Cearns	1 July 2013 to 30 June 2014	41,847
Commissioner	Valerie Davies	1 July 2013 to 30 June 2014	35,522
Commissioner	Al Donald	1 July 2013 to 30 June 2014	36,719
Commissioner	Nathan Harding	1 July 2013 to 30 June 2014	36,719
Commissioner	Neville Poelina	1 July 2013 to 30 June 2014	36,719
Commissioner	Diane Smith-Gander	1 July 2013 to 30 June 2014	36,719
Commissioner	Richard Vaughan	1 July 2013 to 30 June 2014	36,719
Commissioner	Stephen Wicks	1 July 2013 to 30 June 2014	36,719
Total			356,204

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

4.7 OTHER LEGAL REQUIREMENTS

ADVERTISING

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.

	2013/14 \$'000		2013/14 \$'000
(a) Advertising agencies	2,216	(a) Advertising agencies	
(b) Market research organisations	1,728	Digital Dialogue Media Pty Ltd	5
(c) Polling organisations	-	Host Consult Pty Ltd	2,192
(d) Direct mail organisations	-	Micromedia Advertising-Design	19
(e) Media advertising organisations	6,874		2,216
	10,818	(b) Market research organisations	
		AEC Group Limited	75
		Buzz Marketing	17
		Hitwise Pty Ltd	57
		ICS Multimedia	8
		Investment Property Databank Pty Limited	11
		Ipsos Australia Pty Ltd	20
		Isentia Pty Ltd	40
		KPP Business Development	5
		Metrix Consulting Pty Ltd	780
		Orima Research Pty Ltd	29
		Real Capital Analytics Inc.	16
		Repucom Pty Ltd	162
		Roy Morgan Research Pty Ltd	3
		STR Global Ltd	2
		Taylor Nelson Sofres Australia Pty Ltd	287
		TRC Tourism Pty Ltd	49
		VCubed Pty Ltd	13
		Zubini Marketing & Management Pty Ltd	154
			1,728
		(e) Media advertising organisations	
		Adcorp Australia Limited	17
		Adstream Australia Pty Ltd	1
		Akamai Technologies Netherlands B.V.	142
		Big Head Digital	83
		Bishop Media	3
		Carat Australia Media Services Pty Ltd	427
		Cirrus Media Pty Ltd	9
		Deal Group Media Pty Limited	423
		Digital Balance Pty Ltd	70
		Edge Custom Media	3
		Flame Media Pty Ltd	152
		Hatchd Digital	49
		Identity Creative	68
		Media Equation Pty Ltd	21
		Mitchell and Partners Australia Pty Ltd	95
		Offshoot Creative	63
		On Board Media	2
		Optimum Media Decisions (WA) Ltd	5,215
		The Cut Creative	27
		Travmedia.Com Pty Ltd	4
			6,874

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 Record Keeping Plan, along with the Record Retention and Disposal Authority and Record Keeping policies, has been approved by the State Records Commission.

A compliance audit program is in place to audit Tourism WA against the Record Keeping Plan every two years.

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

Under Section 28 of the *State Records Act 2000*, no more than five years must elapse between the Record Keeping Plan and its review. The current Record Keeping Plan applies until the end of 2017.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

In accordance with section 31(1) of the *Public Sector Management Act 1994*, Tourism WA is required to comment on the extent to which public sector standards, the WA Code of Ethics and any relevant Code of Conduct have been complied with.

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

Compliance area	Compliance issues	Significant action taken to monitor and ensure compliance
Public sector standards	0 breach claims	Human resource recruitment consultants continue to be used for all long-term and permanent selection processes and the subsequent reports are reviewed by the internal human resource work unit before consideration by senior line management.
WA Code of Ethics	0 reports of non-compliance	WA Code of Ethics is part of employees' induction materials and is also accessible from Tourism WA's intranet.
Agency Code of Conduct	0 reports of non-compliance	Tourism WA's Code of Conduct is part of employees' induction materials and is also accessible from Tourism WA's intranet.

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

Tourism WA's Disability Access and Inclusion Plan (DAIP) was updated in 2011 in accordance with the legislative framework.

The seven desired outcomes are supported with 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.

During 2013/14, 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 its best endeavours to ensure that, in respect to the Event, it facilitates the desired access and inclusion outcomes expressly or implicitly set out in the Disability Access and Inclusion Plan (2012-2016) 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 repeated on both the corporate and consumer websites.

Tourism WA also continues to improve and upgrade its website to facilitate stronger alignment with W3C online 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 the staff of Tourism WA as other people receive from the staff of the agency.

Staff members of Tourism WA 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 and 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.

Tourism WA seeks public consultation directly and also through survey organisations and other research bodies. Tourism WA reminds all staff and also these organisations of the 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 Tourism WA.

Tourism WA's recruitment and employment policies and practices reflect the aim of having a diverse workforce. Tourism WA also conducts a diversity questionnaire of staff to capture accurate demographic and disability data.

4.8 GOVERNMENT POLICY REQUIREMENTS

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Executive management within Tourism WA places a high emphasis on its commitment to maintaining a workplace free of hazards for all employees, clients, contractors and members of the public; and one which is conducive to job satisfaction and productive work.

The Tourism WA Occupational Safety and Health Committee forms the key occupational safety and health consultative mechanism within Tourism WA and meets quarterly. The Committee is inclusive of employee representatives; and all members are accessible and effectively utilised by both management and employees in the discussion and resolution of occupational safety and health issues.

Where a work-related injury or illness occurs, Tourism WA implements its Injury Management System which has been developed in accordance with the requirements of the *Workers Compensation and Injury Management Act 1981*. The system seeks to integrate the endeavours of medical practitioners, rehabilitation providers and workplace managers to facilitate the safe and early return of injured employees to meaningful work.

An external review of Tourism WA's Occupational Safety and Health systems was undertaken in the 2012/2013 reporting year. Systems were audited against Australian Standard AS/NZS 4801:2001 for Occupational Health and Safety Management Systems and the findings have been incorporated into Tourism WA's Occupational Safety and Health Management Plan 2014-2017. During the 2013/14 period approximately 48 per cent of the recommendations from the review were addressed and action implemented.

During 2013/14, Tourism WA has reviewed the Occupational Safety and Health policy and the revised policy is available to all employees on the Occupational Safety and Health (OSH) page of Tourism WA's intranet, along with many other related resources. The Hazard Register has been reviewed and designed to more effectively capture, monitor and report on all identified hazards. Tourism WA continues to provide a half-day OSH awareness session tailored specifically for line managers to develop their awareness and knowledge of their injury management and occupational safety and health responsibilities.

Performance indicators for 2013/14

Indicator	2011/12	2012/13	2013/2014	
			Target	Actual
Number of fatalities	0	0	0	0
Number of lost-time injury/disease incidences	1	1	0	0
Lost-time injury severity rate	0	0	0	0
Percentage of injured workers returned to work within:				
(i) 13 weeks; and	N/A	N/A	100%	N/A
(ii) within 26 weeks.	N/A	N/A	80%	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities.	63%	71%	80%	82%

PUBLICATIONS

Tourism WA produces a wide range of publications that are available for download at www.tourism.wa.gov.au

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