

**TOURISM WESTERN AUSTRALIA**

*Annual Report*  
**2014-15**



EXPERIENCE  
**EXTRAORDINARY**  
WESTERN AUSTRALIA



*8.7 million overnight visitors travelled to or within WA with 17.5 million day trips also taken.*

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## MESSAGE TO THE MINISTER

To the Honourable Dr Kim Hames MLA  
Minister for Tourism

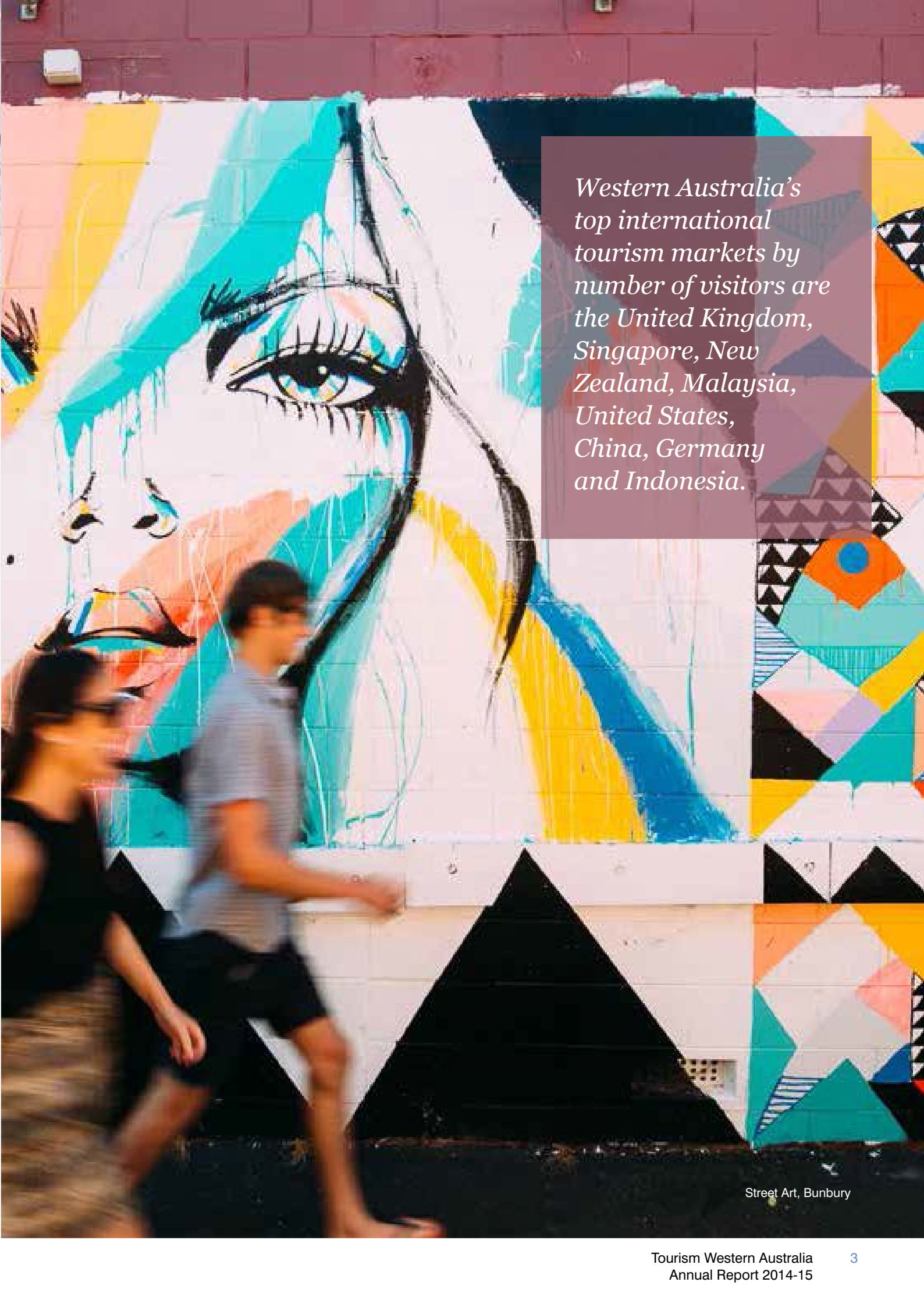
Dear Minister

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 2015.

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

Peter Prendiville  
CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION

14 September 2015



*Western Australia's top international tourism markets by number of visitors are the United Kingdom, Singapore, New Zealand, Malaysia, United States, China, Germany and Indonesia.*

Street Art, Bunbury

*An international leisure visitor to WA spends about \$2,000 compared to Queensland, where the figure is \$1,300.*



Padre White Lookout, Albany



Truffle Hunting, Manjimup

## 1.0 OVERVIEW

### 1.1 EXECUTIVE SUMMARY

## MESSAGE FROM THE CHAIRMAN

Once again, I am extremely pleased to present this annual report, covering the 2014-15 financial year, one in which tourism continued to play a major role in the economic diversity and vitality of Western Australia. In 2014, tourism contributed nearly \$9 billion to the State's economy through visitor spending and generated around 94,000 jobs. And all the evidence is showing us that tourism will play an even greater role in Australia's economy in the future.

Diversification in investment is the key to protecting WA's economy, particularly as we see a slowing of the resources sector. Industries such as tourism, education, agriculture and technology need to be the cornerstone pillars of our economy moving forward to complement our unique resource assets. Together they will give us a broader supportive and robust economic future.

The State Government has recognised the importance of the tourism industry and has invested significant resources in facilitating growth in WA. This has translated to around 2,000 extra hotel rooms in the development pipeline for the Perth market, additional marketing expenditure and airline capacity, all of which will bear fruit for the State going forward.

Our goal is to grow the value of tourism in WA to \$12 billion by 2020 through the State Tourism Strategy which is achievable if, together with our industry partners, we deliver on our brand promise: Experience Extraordinary Western Australia.

Tourism is affected by many areas of government responsibility and decision-making, including planning, transport, regional development, liquor licensing, conservation and the environment. A collaborative approach is the only way the industry will grow and I am happy to report strong and growing relationships with our partners in these areas.

Over 2014-15, I have seen a growing awareness of Perth, and WA as a whole, as a fantastic place to live, invest, conduct business, study and visit. With Elizabeth Quay, Perth City Link, the new Perth Stadium, museum redevelopment and the investments in Perth Airport and the regional areas of WA, we have a world-class opportunity to refresh Western Australia as a tourism and lifestyle destination to the rest of Australia and the world.

Similarly, a number of Tourism WA-supported events have contributed to our resurgence including the Incredible and Phenomenal Journey of the Giants to the Streets of Perth as the opening event at the Perth International Arts Festival, as well as the Margaret River Gourmet Escape, the Ord Valley Muster, the Hopman Cup, Sculptures by the Sea and the Margaret River Pro, all coming one after the other offering unique opportunities to present a vibrant WA to the travelling public.

This annual report outlines the work undertaken in the past 12 months to grow our industry. Tourism WA has achieved results across all divisions. I would like to thank the Board, including outgoing members Diane Smith-Gander and Richard Vaughan, the executive team and employees of Tourism WA for their contributions.

I would also like to take this opportunity to acknowledge the former Minister for Tourism, Liza Harvey, for her commitment to growing our industry and welcome back Tourism Minister, Dr Kim Hames, to the portfolio.

Peter Prendiville  
CHAIRMAN



The Pinnacles,  
Nambung National Park

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Tourism is a key economic driver in Western Australia. This was more evident than ever in 2014-15 when we saw a drop in commodity prices and a shift in resources employment. WA's economy is changing and the importance of tourism as a key economic driver is set to grow.

Tourism WA is first and foremost an economic development agency. Our role is to get the conditions right so the tourism industry in WA can succeed. We do that by working on both the demand side and supply side of the industry.

On the demand side, we promote travel to and within Western Australia through marketing campaigns in partnership with the tourism industry and airlines. We also develop, attract and promote major sporting and cultural events and promote business events through a marketing services contract with the Perth Convention Bureau.

On the supply side, we work closely with other government agencies to bring about the development of tourism infrastructure such as hotels, airline routes, caravan parks and attractions. We are also focused on making sure our State's policies and regulations support private investment.

Our work is guided by the State Government Strategy for Tourism, which includes the goal of growing the value of tourism in WA to \$12 billion by 2020. When work started on the strategy back in 2010, the value of tourism in our State was around \$6.3 billion. In the 12 months to March 2015, tourism spending reached \$8.9 billion and generated 94,000 jobs, which is about seven per cent of the State's employment.

This is a great result which means, at a high level, we are on track to achieve our goal. However, we need to be mindful the overall positive result masks the fact that much of our growth in recent years has been driven by the corporate sector and by intrastate travel: West Australians travelling in Western Australia.

Therefore, we need to grow the interstate market and maintain a strong focus on our high-yielding international markets to ensure we have the best mix possible to reach our target and continue to grow beyond 2020. The corporate sector is declining so leisure tourism and business events will be important in helping us to achieve our goal. Tourism WA's achievements in 2014-15 will help drive this necessary growth.

Over the past 12 months, and for the first time in a number of years, we have expanded our domestic brand advertising for Western Australia beyond Sydney, Melbourne and Perth to include Brisbane and Adelaide. Approximately 55,000 visitors travelled within WA as a result of the campaign, spending just under \$42 million.

Alongside that, we have invested in cooperative marketing campaigns with 18 domestic travel distributors and airlines such as Wotif, Expedia, Qantas and Jetstar. These campaigns are estimated to have attracted around 97,500 visitors to WA and \$70 million in visitor spending.

In the overseas marketing arena, the cooperative marketing agreement between Tourism WA and China Southern Airlines was renewed. The agreement will support targeted advertising and campaigns to work towards the goal of attracting 100,000 Chinese visitors and \$500 million in visitor spending to WA by 2020.

China is one of WA's fastest growing international markets. Chinese visitors increased by 20.1 per cent (to 40,700 visitors) in the 12 months to March 2015 and they spent \$215 million while in the State.

Overall, Western Australia attracted 833,100 international visitors in the 12 months to March 2015. That's an increase of 54,000 visitors, or 6.9 per cent, on the same period last year. Those visitors spent \$2.35 billion during their stay in WA, an increase of \$154 million on the previous 12 months.





Bathers Beach, Fremantle

As we continue to grow and attract more and more visitors, we need to provide adequate infrastructure to cope with demand. The State Government's hotel development incentive policy announced in October 2011 included a goal to achieve at least 1,900 new hotel rooms in Perth by 2020. In 2014-15, we achieved that goal with more than 2,000 rooms now committed to enter the Perth CBD market by 2019.

Another identified need to reach our 2020 goal is increased aviation access to WA. In June 2015, the State Government announced a \$59.7 million expansion of the Busselton Regional Airport. This will enable interstate visitors to fly directly to WA's South West region and will be a game-changer for the region, removing the barriers of time, distance and cost to unlock the region's market potential. Perth also welcomed a new international airline in July 2014 with the launch of Etihad Airways daily services to Perth.

Cruise shipping grew significantly in 2014-15, generating \$275.3 million in expenditure in Western Australia. Cruise ship visitor days increased by 48.5% to 101 and total passengers days increased from 92,549 in 2013-14 to 199,499 in 2014-15, across WA's nine ports. Tourism WA continued to work in conjunction with local industry to make the experience an unforgettable one with a number of cruise education workshops held across the State.

Western Australia has remained an attractive destination for self-drive holidays with good progress being made on the \$40.7 million State Government-funded WA Caravan and Camping Action Plan, and the Parks for People initiative. In 2014, an estimated 1.27 million visitors caravanned or camped in the State, generating 6.8 million visitor nights. Spending by caravan and camping visitors in Western Australia is estimated at \$868 million. Of this, an estimated 87 per cent, or \$756 million, is spent in regional WA.

Events remain vital to contributing to the 2020 goal. They offer people a time-based reason to visit WA and encourage them to stay longer. Events also add vibrancy, provide a boost to the economy and attract valuable national and international media coverage for WA. In 2014-15, Tourism WA sponsored 90 events across the State, including the opening act of the 2015 Perth International Arts Festival, the Incredible and Phenomenal Journey of the Giants to the Streets of Perth. More than 1.4 million people saw the giant marionettes perform in the Perth CBD over three days in February with the event accounting for 24,271 hotel nights.

With the new Perth Stadium opening in early 2018, Tourism WA also spent 2014-15 working with key partners to execute a stadium events attraction strategy to maximise the tourism potential of this important piece of infrastructure.

As you can see, it's been another year of extraordinary achievements and tangible results. I acknowledge the continued effort and hard work undertaken by all of the employees at Tourism WA.

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 Ministers responsible for Tourism WA during 2014-15 were the Hon Liza Harvey MLA from 1 July 2014 to 8 December 2014 and the Hon Dr Kim Hames MLA from then until 30 June 2015.

### 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 operates under 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*.

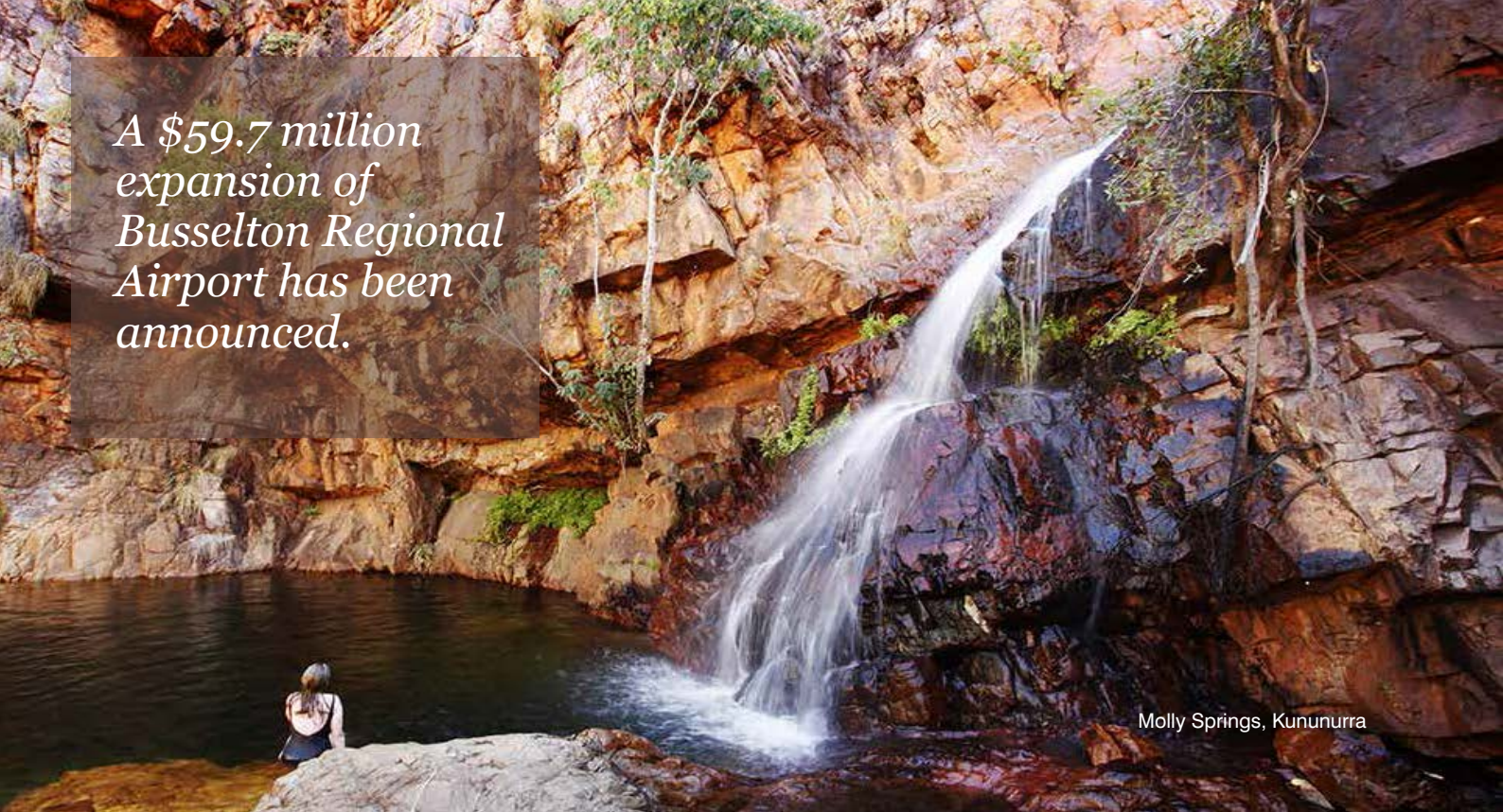
## Board of commissioners

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.

Cape to Cape Track, Yallingup  
© Walk into Luxury

*More than 50 community-focused events received a share of \$750,000 funding through the Regional Events Scheme.*

*A \$59.7 million expansion of Busselton Regional Airport has been announced.*



Molly Springs, Kununurra

## Board Profiles

### Peter Prendiville – Chairman

Peter Prendiville has been the owner and/or operator of more than 40 hotels in a career spanning over 35 years. Mr Prendiville has opened various hotel properties such as the Esplanade Hotel Fremantle, Langley Hotel, Kalbarri Beach Resort and the Margaret River Hotel. He currently owns several hotels including Hotel Rottneest, Karratha International Hotel, Mangrove Resort Hotel (Broome) and both the Tradewinds Hotel and Pier 21 Resort in Fremantle. In 2015, he received the Business Award in the Western Australian of the Year Awards run by Celebrate WA.

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 including Best Tourism Winery, Best Significant Tourist Attraction and Significant Festivals and Events, as well as the Sir David Brand Award. Along with being a member of the St John of God Health Care Board, he has been involved in Notre Dame University since its inception and, in addition to being a trustee and director, he is also the Acting Chancellor. He has been involved in the oil and gas industry and has sat on several public company boards. Mr Prendiville's term began 1 September 2011 and he became Chairman on 1 July 2012. He also sits on Tourism WA's Infrastructure and Investment Committee (and was acting Chairman from 1 July 2014 to 15 April 2015) and the Audit and Risk Committee.

### Howard Cearnis – Deputy Chairman

Howard Cearnis 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 and partners recently opened the

Alex Hotel in the cultural precinct of central Perth and established the Hippocampus Craft Distillery in 2014. Other involvements include the Old Treasury Buildings Project, Swings and Roundabouts Wines, brainCELLS Creative Marketing and Boatrocker Brewery in Melbourne. Mr Cearnis worked for Budget Rent a Car early in his career and gained significant sponsorship and event experience as the Swan Brewery's marketing director. He was made Lion Nathan's group Innovation Director in 1996. Mr Cearnis' term began 1 July 2006 and he became Deputy Chairman on 1 July 2012. He is also the chair of both Tourism WA's Strategic Marketing Committee and Events Committee.

### 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 Telstra Businesswoman of the Year 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 (one of Australia's premier entertainment technology, hospitality, tourism and leisure companies) and HBF Health Ltd. Ms Davies is past director of a variety of organisations including Tourism Australia, ScreenWest, Iluka Resources Limited, Integrated Group Limited, Gold Corporation, Amcon Solutions Group, Relationships Australia, Youth Focus and Fremantle Hospital and Health Service. Aside from her board work, Ms Davies' career spans more than 30 years across a spectrum of industries including media, marketing and television production. Her term began 1 July 2013; she is also a member of Tourism WA's Strategic Marketing Committee and the Infrastructure and Investment Committee (as of 2 April 2015).

## Alistair (Al) Donald

Al Donald is an experienced corporate lawyer specialising in negotiated acquisitions, joint ventures, private capital fundraising and governance. He is a former head of Herbert Smith Freehills' Australian Mergers and Acquisitions group and is a member of 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 the leading United States and international law firm Skadden, Arps, Slate, Meagher and Flom, specialising in acquisitions and financing work. He was admitted to the New York Bar in 1986. Mr Donald is a University of Western Australia honours law graduate. His term began 1 February 2009; he is Chair of Tourism WA's Audit and Risk Committee.

## 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. Mr Harding has combined his technology, marketing and business skills to drive the family-owned company's success. Discover Australia incorporates Discover West Holidays and HolidayMax brands. Mr Harding served as the national Deputy Chairman of the Australian Tourism Export Council until early 2015. He has a degree in electronic engineering from University College Cardiff and is a marketing and applied finance and investment post-graduate. Mr Harding's term began 1 July 2012; he is also a member of Tourism WA's Strategic Marketing Committee.

## Nicole Lockwood

Nicole Lockwood has a career spanning a range of fields including local government, regional economic development, law, events and corporate governance. She has been a Director at KPMG, in the areas of public sector and infrastructure, and serves on the boards of Leadership Western Australia and Infrastructure Australia. Ms Lockwood's directorships have included the Regional Development Council, Pilbara Development Commission, Western Australian Planning Commission, Horizon Power, Road Freight Transport Industry Council and Shire of Roebourne, where she was president for two years. She has also worked as a lawyer in private practice, at the Office of the Director of Public Prosecutions and as Pilbara Community Legal Service's principal solicitor. Ms Lockwood's term began 1 January 2015; she has been a member of Tourism WA's Infrastructure and Investment Committee since 2 April 2015 and Chair from 16 April 2015 and is also a member of the Audit and Risk Committee.

## 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, a former WA Indigenous Tourism Operators Council Chairperson and inaugural chairperson of the World Indigenous Tourism Alliance (WINTA). 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 Broome visitors. 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. It preserves country and culture and allows people to live on the country sustainably while ensuring 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 began 1 January 2011; he is also a member of Tourism WA's Strategic Marketing Committee.

## 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 Business School advisory board. She is a Committee for Perth board member, a Methodist Ladies' College councillor and president of Chief Executive Women. Ms Smith-Gander's term began 1 July 2012; she was also a member of Tourism WA's Events Committee and Audit and Risk Committee. Her term finished 30 June 2015.

## 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 such as Emirates, British Airways and Gulf Air. He also previously 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 began 1 July 2012; he was also a member of Tourism WA's Events Committee and Infrastructure and Investment Committee. His term finished 30 June 2015.

## 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	6	7
Howard Cearns	6	7
Valerie Davies	7	7
Al Donald	6	7
Nathan Harding	7	7
Nicole Lockwood	3	3
Neville Poelina	6	7
Diane Smith-Gander	7	7
Richard Vaughan	7	7

## Declarations of interest

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

## Independent external advice

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

## Committees

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

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

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

The **Events Committee** guides 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** assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and Tourism WA's process for monitoring compliance with laws and regulations.



Gun Barrel Highway, Gascoyne

## Executive Management Team

The Chief Executive Officer, four Executive Directors, Director Executive and Strategic Services, Chief Financial Officer and Director Corporate Communications make up 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.

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.

### Jennifer Horner A/Executive Director Marketing

Jennifer joined Tourism WA in 2013. She has a long and established background in the UK Financial Services sector, leading marketing strategy in European and International markets for global organisations such as JPMorgan Asset Management and Fidelity Investments. Jennifer has led regional, national and global marketing teams, working with sales and business heads, to deliver a range of marketing activities – online and offline – in B2B and B2C channels.

Jennifer has led the development of the Experience Extraordinary Brand working with cummins&partners, Tourism WA's strategic creative agency, since their appointment in September 2014.

Since November 2014, Jennifer has led the Marketing Division as the Acting Executive Director Marketing, working on the collaborative planning process with Regional Tourism Organisations, a robust program of research and analysis, the rollout of an improved version of Tourism WA's consumer website wa.com, and establishing a five-year strategic marketing plan for Tourism WA.



#### **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 which opened in Albany on 1 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.

#### **Michelle Ellis**

##### **A/Director Executive and Strategic Services**

Michelle Ellis joined Tourism WA in 2005 and has over 20 years' experience working in finance/budgeting, human resources and business roles in the Western Australian Public Sector. She has had a number of diverse roles since joining the agency, including Human Resources Manager and Director Business Management in the Events Division. In this role, she was responsible for developing the Events Sponsorship Framework which documents the full 'events sponsorship cycle' including the governance, risk and due diligence standards required. Prior to joining Tourism WA, she worked at the Department of Land Information (Landgate) and the then North Metropolitan College of TAFE. She completed a Diploma of Management in 1997.

#### **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.



**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.

**Changes to the Executive Management Team**

During 2014-15, there were four changes to the Executive Management Team:

- > Simon Burley held the position of Executive Director Marketing until November 2014.
- > Justin Vaughan held the position of Director Executive and Strategic Services until February 2015.
- > Jennifer Horner was appointed Acting Executive Director Marketing in November 2014.
- > Michelle Ellis was appointed Acting Director Executive and Strategic Services in February 2015.



*Caravan and camping accommodation is more popular amongst younger international visitors, with half aged under 35.*

Sal Salis, Ningaloo Reef

## 1.3 PERFORMANCE MANAGEMENT FRAMEWORK

### 1.3.1 OUTCOME-BASED MANAGEMENT FRAMEWORK

There are five government goals that guide the development of policies, programs and services within 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 the value of tourism is more than economic and that the agency is charged with ensuring the WA tourism industry is competitive and sustainable over the long term.

Government Goal	Desired Outcome	Services
Financial and Economic Responsibility: <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Increased competitiveness and viability of the Western Australian tourism industry.</li> </ul>	1. Destination Marketing 2. Event Tourism 3. Tourism Investment and Infrastructure

### 1.3.2 CHANGES TO OUTCOME-BASED MANAGEMENT FRAMEWORK

Tourism WA's outcome-based management framework did not change for 2014-15.

### 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 (but not limited to) the National Tourism 2020 Strategy, Kimberley Science and Conservation Strategy, Busselton Airport Redevelopment, Regulated Aviation Route Review and Tender, Swan Valley Planning Strategy and the development of a state planning policy for transient worker accommodation. In addition, Tourism WA has been a member of a number of Regional Development Commission-led committees for the development of regional tourism strategies, such as the Gascoyne, Mid West and Pilbara.

Tourism WA works closely with a range of Commonwealth and State government agencies including Austrade, Tourism Australia, Indigenous Business Australia, Department of State Development, Department of the Premier and Cabinet, Department of Regional Development, Department of Transport, Department of Lands, Department of Parks and Wildlife, Department of Planning, LandCorp, Metropolitan Redevelopment Authority, Main Roads WA, Department of Local Government and Communities, Department of Sport and Recreation, VenuesWest, 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 West Australian tourism industry with a view to 2020. The strategy was released in December 2012.

Tourism WA's activities in 2014-15 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.

In the year ending March 2015, 17.5 million intrastate daytrips were taken within WA and 8.7 million overnight visitors came to or travelled within the State. Together, these visitors spent \$8.9 billion in WA, indicating progress towards the 2020 goal of \$12 billion.

*China is one of WA's fastest growing international markets with the amount of visitors increasing by 20%.*

## 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.

Tourism WA's marketing strategy focuses on brand communications, event marketing, cooperative marketing with key airlines and distribution partners, trade education, a dedicated caravan and camping marketing program and major business event promotion in conjunction with the Perth Convention Bureau.

All programs are measured using a variety of evaluation techniques in an effort to further target high-yield visitors creating a positive and robust flow-on effect for the local tourism economy.

#### Major achievements in 2014-15

##### Brand communications

- Tourism WA invested \$3.655 million on an integrated brand media campaign targeted at prospective travellers in five capital cities (Brisbane, Sydney, Melbourne, Adelaide and Perth). The campaign generated a return of \$13 in visitor spending for every dollar invested, delivering approximately 55,000 visitors and an economic impact of just under \$42 million.
- The Margaret River Gourmet Escape was used to promote WA's food and wine offerings in various markets. In Singapore, well-known local food blogger Daniel Ang was utilised to highlight what the Margaret River region had to offer and, in November 2014, Tourism WA (in partnership with Tourism Australia) worked with world-renowned chef Eric Ripert to produce an episode of the culinary travel show *Avec Eric in WA*. The WA episode, which aired in March 2015, was supported by an extensive PR campaign and reached a worldwide audience of 23.6 million viewers.
- Tourism WA partnered with Channel 7's *Sunrise* program to showcase WA's extraordinary tourism experiences. In total, *Sunrise*'s weather reporter, Edwina Bartholomew, and her team spent three weeks in Western Australia experiencing a variety of the State's tourism experiences including the National Anzac Centre in Albany, Margaret River Pro surfing event, swimming with the whale sharks at Ningaloo Reef and the Horizontal Falls and Ord Valley Muster in the Kimberley. Overall, the partnership resulted in more than three hours of West Australian destination content being exposed to 1 million *Sunrise* viewers.
- Following a week of live feeds from different locations around Australia, ITV's *Good Morning Britain* came to Perth for its grand finale on 30 January 2015. *Good Morning Britain* is one of the UK's most popular breakfast shows and, in a joint venture between Tourism Australia and a number of states and territories (including WA), presenter Sean Fletcher was sent to Australia to showcase life Down Under. He started his journey in Sydney on Australia Day and ended it on Cottesloe Beach at the end of the week.

*Good Morning Britain* specifically wanted to showcase Australia's best beaches at a time when the weather is wet, cold and grey in the UK. The resulting WA coverage from the broadcast had a reach of 3,766,000 viewers.

- Tourism WA sponsored Tourism Australia's Restaurant Australia launch in Shanghai, China, on 30 October 2014. The event was attended by more than 400 influential Chinese guests from various sectors including media, travel industry, airlines, business event organisers and government representatives. Tourism WA presented the State's extraordinary food and wine experiences at the event through an introduction and video presentation. Tourism WA was the only state sponsor, achieving maximum exposure for WA.
- Tourism WA's consumer website [westernaustralia.com](http://westernaustralia.com) was upgraded, making the website fully mobile phone-responsive. The site's content was further developed over the year to improve itineraries and integrate a live feed of the new Instagram channel and hashtag #thisiswa. The website received 1.9 million unique visitors in 2014-15.
- Tourism WA launched its Instagram channel @westernaustralia and hashtag #thisiswa, joining the world's largest photo-sharing social media community and leveraging user and influencer-generated images. The channel reached its target of 10,000 followers within six weeks. Tourism WA's Global Facebook community was 297,543 strong for 2014-15. A German language Facebook page was also established in February 2015 and has grown to a community of over 14,063 likes.

##### Event marketing

- Tourism WA invested \$1.05 million in its events marketing campaign which includes TV, press, online and social media marketing. The aim of this 'always on' campaign is to communicate the wide variety of events happening across the State and to encourage attendance by West Australians and visitors. Nearly 200,000 overnight and 321,000 daytrip visitors travelled within WA as a result of the campaign spending more than \$130 million.
- In addition, specific marketing initiatives were implemented for key events, in selected markets. Some key highlights:
  - A campaign was undertaken in Sydney and Melbourne to promote The Giants as part of the Perth International Arts Festival and drive visitation to the event. Research indicates there were 2,333 interstate visitors, resulting in visitor spend of over \$2.9 million.
  - A campaign was undertaken in Singapore and Malaysia to promote attendance at the Margaret River Gourmet Escape. The campaign included packages with key travel agents and a competition to tour the Margaret River region with one of South East Asia's top chefs. The campaign resulted in 427 visitors and an estimated \$1 million in visitor spending.

##### Business events

- Tourism WA continued its highly successful partnership with the Perth Convention Bureau (PCB). In 2014-15, the Perth Convention Bureau secured 137 conferences and 76 corporate meetings and incentive events. This represented 56,475 delegates with an estimated Direct Delegate Expenditure (DDE) of \$112.03 million.

DDE increased to 31.1 for every State Government dollar invested. The PCB is widely acknowledged as Australia's most efficient Convention Bureau with a Return on Investment (ROI) of almost four times the ROI of its eastern seaboard bureau competitors.

#### Cooperative marketing

- [Tourism WA's Cooperative Marketing KPI exceeded projected outcomes](#). The target was \$4.9 million but, in 2014-15, the outcome saw \$7.54 million invested by the 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 worked with 18 domestic travel distributors and airlines as part of the 2014-15 cooperative marketing program](#). This resulted in 35 product campaigns featuring a diverse range of West Australian tourism products. The total value of Tourism WA's investment was \$2 million with industry partners contributing \$3 million. This cooperative marketing program delivered a return of \$37 in visitor spending for every dollar spent on the campaign, generating approximately 97,500 visitors from across Australia and an economic impact of \$70 million.
- [Tourism WA's cooperative marketing partnership with China Southern Airlines continued to flourish](#). Since China Southern commenced flights to Perth in November 2011, the number of Chinese visitors has increased 77% from 23,000 in the year ending September 2011 to 40,700 in the year ending March 2015. China has also become Western Australia's second highest source of international visitor spending, contributing \$215 million in the past 12 months. In April, China Southern upgraded the aircraft on its Perth flights to the Boeing Dreamliner 787 and, in July, it increased services to 4 times per week. Tourism WA and China Southern have renewed their cooperative agreement for a further three years.
- [Etihad launched a new direct daily air service to Perth](#) commencing in July 2014. In support, Tourism WA partnered with Tourism Australia and Etihad in the UK and USA to undertake cooperative marketing campaigns. To date the campaigns have delivered 2,233 passengers with an economic impact of more than \$4.78 million.
- [A partnership review of Regional Tourism Organisations \(RTOs\) was conducted](#), informing the development of a new five-year partnership agreement that focuses on a longer term collaborative planning process to further align resources and activities. Tourism WA and each RTO will form a cohesive approach to communicating with consumers, media and trade in agreed domestic and international markets. The new working model will ensure greater alignment with the State Tourism Strategy and 2020 goal.

#### Trade education

- [Tourism WA's biennial trade, training and product development event WATEX \(WA Tourism Exchange\)](#), targeting travel agents and media from Singapore, Malaysia and Indonesia, was held from 19 to 25 April 2015. WATEX comprised a full day workshop at the Novotel Vines Resort, followed by a series of familiarisation tours throughout Perth, the South West and the Coral Coast.

Twenty-eight international delegates attended WATEX meetings, with representatives from 30 WA tourism businesses.

- [Western Australia showcased the best of all regions at Tourism WA's European Roadshow](#). Between 23 June and 4 July 2014 Regional Tourism Organisations, the WA Indigenous Tourism Operators Council and five tourism products visited eight cities in Germany, Switzerland and the UK to educate and build relationships with key decision-makers and frontline agents from travel wholesalers and retailers. The West Australian contingent trained nearly 500 travel agents and met with more than 40 product managers and representatives from a dozen media outlets.
- [Nineteen WA tourism operators participated in Tourism WA's annual China Travel Mission](#) in Chengdu from 19 to 22 October, 2014. They met with 26 key travel agents from major cities in China and, for the first time, Hong Kong. In addition, senior airline representatives, travel agent owners, Tourism Australia representatives, Austrade's Senior Trade Commissioner and the Australian Consul-General in Chengdu attended the industry dinner. The event generated extensive media coverage in the travel trade media and the WeChat social media platform. A product seminar for retail travel agents was included in the program. The response was overwhelming with more than 150 staff from various travel agencies attending.
- [Tourism WA's annual trade, training and product development event Ni Hao WA](#), targeting travel agents and media from China and Hong Kong, was held from 13 to 17 March 2015. Ni Hao WA comprised a full day workshop at Margaret River's Aravina Estate and a series of familiarisation tours throughout Perth, the South West and the Coral Coast. Thirty-six travel agents and four media representatives attended Ni Hao WA meetings, with representatives from 32 WA tourism businesses.
- [Sixteen WA operators participated in the second Tourism WA Indonesia Roadshow](#) held in Jakarta and Surabaya from 2 to 6 November 2014. The roadshow included retail trade training and corporate dinners. Sixty-nine retail agents participated in the workshops in Jakarta and 52 agents in Surabaya. The Jakarta corporate dinner was co-hosted by Tourism WA and the incentive department of Panorama Tours. Fifty-six corporate decision-makers from incentive-generating companies attended the event. The Surabaya corporate dinner was in cooperation with Garuda Indonesia and attended by Garuda senior management and personnel from 10 key Tourism WA travel agency partners. Positive feedback resulted from the participating WA suppliers and Indonesian travel trade with five confirmed incentive groups for WA bringing 550 passengers and an estimated visitor spending of more than \$1.5 million.
- [Five live webinar updates on Tourism WA's international and domestic marketing plans](#) were held in August and September 2014. Using an online presentation system, Tourism WA's marketing managers presented direct from their home countries. The format for each market was 20 to 25-minute presentations followed by 10 minutes of questions and answers. On average, there were 45 operators online with the UK and Germany the largest, having more than 60 operators tuning in.



## EVENT TOURISM

The Events division's main objective is to develop, sponsor and promote a diverse range of events, with the aim of highlighting Western Australia as a great place to live, work and visit. Helping to create greater awareness of Western Australia as a holiday destination, events also work to maximise the State's competitive advantage and bolster bookings. Showcasing Western Australia and positioning the State as a major and recognisable event destination, generating a vivacious atmosphere and sizable uplifts in visitor demand.

### Major achievements 2014-15

- **The Incredible and Phenomenal Journey of the Giants to the Streets of Perth**, a free, three-day spectacular from 13 to 15 February 2015, opened the 2015 Perth International Arts Festival and won a prestigious Helpmann Award for best special event. The event saw two giant marionettes commemorating Western Australia's role in the ANZAC Centenary by searching for each other in Perth's CBD. The Giants captivated the people of Perth with a million people, including national and international visitors, viewing the spectacle as part of the February festival.  
  
The Giants generated nearly \$40 million for Perth businesses with \$34 million spent by West Australians who visited the city to see the show, and a further \$3.6 million from interstate and international visitors, who stayed an average of 6.4 nights each. The event was supported by the State Government through Tourism WA as its lead funding body, as well as the Department of Culture and the Arts and Lotterywest, plus significant private sector funding.
- **The Albany ANZAC Centenary Commemoration** events were held from 31 October to 2 November 2014. Tourism WA provided \$814,000 financial support over 18 months to the City of Albany for a number of key activities, including the Harbour Lights and Stirling Terrace Mess Hall, as well as a wide range of regional community events, and to Australia's South West for marketing and industry-readiness programs.

It is estimated about 40,000 people engaged with the Anzac Albany event program, including the launch of the National Anzac Centre by Prime Minister Tony Abbott on 1 November. The local Chamber of Commerce estimated there was a \$40 million direct benefit to the region as a result of the three-day event.

- **Spanning 30 locations, the third, annual Margaret River Gourmet Escape (MRGE)** from 21 to 23 November 2014 played host to more than 35 acclaimed international and Australian chefs, wine experts and culinary personalities including Heston Blumenthal (UK), Rick Stein (UK), Clare Smyth (UK), Matt Orlando (Denmark) and Sam Leong (Singapore). During the four-day festival, the Gourmet Village at Leeuwin Estate and more than 20 satellite events attracted 21,917 people, representing a growth of 35 per cent in visitor numbers compared to 2013. With more than 190 exhibitors, the Gourmet Village saw 14 per cent growth year on year. The MRGE also played host to an agricultural trade delegation managed by the South West Development Commission.
- **The 2014 Perth International** brought some of the world's top golfers, such as US Major event winners Jason Dufner and Charl Schwartzel, to Lake Karrinyup Country Club from 23 to 26 October. Australia's richest golf tournament, it was the only event in 2014 to be co-sanctioned by both the European Tour and Australasian PGA. More than 32,000 fans attended the event, which was televised nationally on Channel Seven, and globally to more than 218 million homes in key Tourism WA markets. The event generated an estimated media exposure of \$27 million.
- **The 2015 Drug Aware Margaret River Pro**, held from 15 to 26 April 2015, was widely acknowledged as the best in the event's 30-year history. With huge waves and blue skies on offer, the world's best surfers revelled in close-to-perfect surfing conditions, as well as experiencing the tourism offerings of the Margaret River region. Media coverage for Margaret River and the South West region was driven



Perth Fashion Festival



Margaret River Gourmet Escape

primarily by the live online/TV event broadcast, with viewers more than doubling from the 3.5 million audience record set at the previous year's event. Tourism WA also facilitated a number of visitation activities for the surfers outside of the competition which achieved further exposure for the region.

- [Support for the Hopman Cup continued](#) from 4 to 10 January 2015 with a stellar playing field including Andy Murray, Serena Williams, Eugenie Bouchard, Casey Dellacqua and Agnieszka Radwanska. More than 95,700 fans visited Perth Arena for the 27th annual staging of the event – the second-largest attendance in the event's history, and a 10,000 increase on 2014. The event was broadcast to more than 170 countries by over 20 different broadcast partners. More than 70 global print, radio and broadcast media provided extensive coverage of the event, resulting in an estimated media exposure of nearly \$129 million.
- [The BHP Billiton Aquatic Super Series took place at HBF Stadium](#) from 30 January to 1 February 2015 with the Australian swim team taking out the elite swimming component against tough competition from the US, Japan and China. The event was broadcast across Australia on One HD. Broadcast agreements were also reached with CCTV5 (China), Kompas TV (Indonesia), TV Asahi (Japan) and One World Sport (US). The event generated an estimated media exposure of \$5.1 million.

### Regional events program

- [A wide range of events were funded through the Regional Events Program](#) through Royalties for Regions. A further 51 smaller, community-focused events received a share of \$750,000 funding through Tourism WA's 2014-15 Regional Events Scheme (RES).
- [Ten events received RES funding for the first time](#), including the Pilbara Food Festival, Albany Urban Downhill, Nannup Flower and Garden Festival and Astro Rocks Fest in Mount Magnet, while popular established events such as Blues at

Bridgetown, Channel Seven Mandurah Crab Fest, Ningaloo Whaleshark Festival and Quit Forest Rally were also funded.

- [The 2014 Shinju Matsuri Festival took place in Broome](#) from 5 to 14 September and included key community events with the opening ceremony featuring a float parade and mardi gras, and the closing ceremony including a fireworks display on Cable Beach. The Indigenous component was well-received with tours and exhibitions by the Yawuru and Mowanjumb people.
- [Renowned Australian film director Bruce Beresford led the judging panel for the inaugural CinéfestOZ Film Prize](#), the richest film prize in Australia at \$100,000, which was won by Paper Planes. The CinéfestOZ film festival premiered feature films through events in Busselton, Bunbury, Dunsborough and Margaret River during August.
- [The 2015 IGA Taste Great Southern](#) took place from 19 February to 29 March, showcasing some of the best food and wine from the region with more than 45 events across Albany, Denmark, Mount Barker, Porongurup, Ongerup and Katanning.
- [The Ironman Western Australia](#) event had a record 1,989 registered participants with more than 39 per cent from outside WA. The State's economy experienced significant economic returns as a result of hosting the event in Busselton – 3,564 visitors entered WA for the sole purpose of participating or attending the event, generating \$8.7 million. A total of \$11.9 million was spent in the City of Busselton from interstate, international and intrastate visitors as a direct result of hosting the event.
- [More than 1,200 recreational and elite riders took part in the Cape to Cape MTB](#), the largest multi-stage mountain bike race, in October, taking riders from Cape Leeuwin to Dunsborough.



Vlamingh Head Lighthouse, Exmouth

## INVESTMENT AND INFRASTRUCTURE

The development of strategic tourism infrastructure in Western Australia is facilitated by the Tourism WA Infrastructure and Investment (I&I) Division. Aligning with Tourism WA's strategic objective of doubling tourism expenditure by 2020, the division works with other State Government agencies, local governments and the private sector to ensure the best tourism outcomes.

The I&I Division focuses on supply side issues in the WA tourism industry – it encourages the development of accommodation and attractions in WA's tourism destinations and works to develop aviation capacity into and within the State. It also drives a number of cross-government initiatives to enhance regional tourism, such as caravan and camping, cruise shipping, Aboriginal tourism and a number of State and Federal grant programs for the industry.

### Major achievements 2014-15

#### Hotel/eco-accommodation development

- [The Perth hotel development pipeline](#) has more than 2,000 new rooms committed or under construction with opening dates across the period 2015-2019. This pipeline is the culmination of five-plus years of focus on getting the settings right to encourage hotel development in Perth, against the target of a minimum 1,900 new rooms by 2020. These results show the success of Tourism WA's efforts – both directly and through partners such as the Metropolitan Redevelopment Authority, LandCorp and City of Perth. Any further hotel development in Perth is being driven by market forces.
- [Construction of the Westin Hotel](#) on the old FESA House site began in early 2015 with project oversight by Tourism WA and LandCorp. This is one of the committed hotels in the pipeline mentioned above. The Westin, built by BGC (Australia), will be a 362-room, five-star hotel and is due to open in 2018.
- [Large-scale precinct development integral to tourism growth](#) continued to progress at Elizabeth Quay and the Perth City Link. Tourism WA worked closely with the Metropolitan Redevelopment Authority, providing specialist advice in relation to the development of short-stay accommodation in the Perth City Link precinct, as well as attraction development at Elizabeth Quay.
- [With Scarborough Beach a valuable tourism and events precinct for Perth](#), Tourism WA provided advice to the Metropolitan Redevelopment Authority over the past year in relation to the development of the Scarborough Beach Master Plan. The inclusion of upgraded food and beverage

outlets and potential short-stay accommodation development opportunities would enhance the attraction of Scarborough for both visitors and local residents. Tourism WA CEO Stephanie Buckland serves on the MRA Scarborough Land Redevelopment Committee.

- [Tourism WA has been working with the Rottneest Island Authority to provide advice](#) on the Rottneest Island Master Plan and its implementation, in the area of accommodation development. The upgrade of Rottneest Lodge was announced in 2014-15 and there are plans for further development over the coming years.
- [In regional WA, Tourism WA worked in partnership](#) with the Department of Parks and Wildlife to release two tourism sites in national parks: Millstream-Chichester in the Pilbara and Ngamawollem in a protected area of the Kimberley. Tourism WA has also worked closely with LandCorp, Regional Development Commissions and local governments on hotel opportunities in Albany, Busselton and Bunbury.

#### Aviation access

- [In the past year, international seat capacity grew by one per cent](#) while domestic capacity dropped by two per cent. There were 214 international flights into Perth each week (55,127 seats) and 1,041 domestic services into or around WA (161,101 seats).
- [In 2014-15, the following was achieved:](#)
  - Perth welcomed its 18th international airline on 5 August 2014 with the launch of Etihad Airways daily services to Perth.
  - Air New Zealand launched its first Dreamliner Boeing 787-9 flight for its Auckland-to-Perth service in September 2014 and, in May 2015, announced its intention to introduce three additional weekly flights between Perth and Auckland, timed to connect to the airline's US (Canada and Argentina) flights from December 2015.
  - 2015 saw China Southern Airlines launch the improved Boeing 787 Dreamliner aircraft on its Perth operations and announce that flights on the Guangzhou-to-Perth service would increase from three to four per week in July 2015.
  - Qantas reinstated its Perth-to-Singapore route in June 2015, offering five return flights per week (the route had ceased operation in May 2014).
  - Emirates launched Perth's first Airbus A380 service on one of its twice-daily Dubai-to-Perth flights in May 2015.



- o Perth became the first city in Scoot's extensive network to be serviced by the airline's Boeing 787-9 Dreamliner from February 2015. The state-of-the-art aircraft now flies daily between Perth and Singapore with Scoot planning to operate an all-787 fleet by August 2015.
- o In October 2014, Qatar Airways increased its seat capacity between Perth and Doha by 30 per cent, moving to the larger Boeing B777-300ER aircraft on an ongoing basis.
- [Upgrading Busselton Regional Airport to accept interstate flights](#) directly into the Margaret River Region is considered a game-changer for tourism in the South West. Tourism WA has been an active participant on the project since 2011 with phase one culminating in the June 2015 announcement of a \$59.7 million State Government investment towards the upgrade. The major project will see the purchase of land, lengthening and widening of the runway and expansion of the car park and terminal to enable the airport to cater for direct interstate aviation services. The airport redevelopment is expected to be completed by mid-2018 and discussions with airlines and tourism marketing groups are continuing.

#### Caravan and camping

- [Land assembly activity continued on the development of commercial caravan parks](#) in Exmouth and Lancelin with Broome released to the market last year, increasing the supply of new commercial caravan parks.
- [Grants were provided to the Shires of Exmouth and Denmark for overflow facilities](#) within each town and to the Shire of Irwin to increase camp sites and improve visitor facilities at four coastal camping grounds in the region.
- [Funds were granted to local governments to support the costs of installing new dump points](#) at Cue, Denmark, Karratha, Port Hedland, Manjimup, Mandurah and Serpentine-Jarrahdale and to improve access to existing dump points in Pinjarra and Walpole. Dump points provide travellers in self-contained vehicles with additional locations to safely dispose of black and greywater waste.
- [Marketing, accreditation and training were delivered](#) through partnerships with the Caravan Industry Association of WA and Tourism Council WA under the Caravan and Camping Action Plan. In the past year, an additional 30 caravan parks were accredited under the Australian Tourism Accreditation Program and 42 caravan park operators were trained in subjects such as online marketing and social media marketing.
- [As part of the Camping with Custodians program, the Imintji development](#) on the Gibb River Road began this year with the campsite due to open for the 2016 tourism season. The program aims to assemble land and facilitate the development of strategically placed commercial camping grounds on Kimberley Aboriginal lands, adding to the capacity of Aboriginal communities to engage in tourism and improve the experience of visitors. A further three sites at Mimbì, Ngallagunda and Violet Valley are undergoing land assembly activities, including applications for diversification permits on pastoral land. In addition, an investigation into potential Camping with Custodian sites on Aboriginal lands in the Pilbara region began this year.

#### Aboriginal tourism development

- [The Royalties for Regions Business Case for \\$4.6 million over four years for the Aboriginal Tourism Development Program was approved.](#) The program will be delivered by the WA

Indigenous Tourism Operators Council (WAITOC), with oversight from Tourism WA, and has the objective of increasing the promotion of Aboriginal tourism experiences across the State, as well as providing intensive business development assistance to emerging and market-ready businesses. A memorandum of understanding was executed between Tourism WA and the Department of Regional Development on 30 June 2015 and contracts with WAITOC were finalised in early 2015-16. This work will be informed by learnings from Tourism WA's contribution to the Kimberley Science and Conservation Strategy.

- [The Ngamoowalem Conservation Park Naturebank site, near Kununurra](#), which is jointly managed by the Miriuwung Gajerrong Aboriginal people and Department of Parks and Wildlife (DPAW), was released for registrations of interest by the Ministers for Environment and Tourism.

#### Cruise shipping

- [Tourism WA continued to work in partnership with the Cruise Western Australia Committee](#) and industry to capitalise on the opportunities presented by cruise shipping, and to implement the Western Australian Cruise Shipping Strategic Plan 2012-2020. Cruise shipping to Western Australia continued to grow across the State's 10 cruise destinations: Perth-Fremantle, Esperance, Albany, Bunbury, Busselton, Augusta, Geraldton, Exmouth, Port Hedland and Broome.
- [Cruise shipping grew significantly in 2014-15](#), generating \$275.3 million in expenditure in Western Australia. Cruise ship visitor days increased by 48.5 per cent to 101 and total passengers days increased from 92,549 in 2013-14 to 199,499 in 2014-15, across WA's nine ports.
- [In 2014-15, a total of 43 ships with 110,000 passengers visited Fremantle](#) with a forecast of 54 ships and 150,000 passengers in 2015-16, representing a 36 per cent increase in passengers.
- [Carnival Australia's superliner Diamond Princess became the first ever cruise ship to visit Busselton](#) on 27 November 2014 with more than 2,000 passengers aboard. Tourism WA provided support for the welcome including three half-day workshops for 110 "meet and greet" volunteers. Independent research commissioned by Tourism WA found that 100 per cent of more than 150 transit passengers interviewed had a positive experience in the region, with 61 per cent rating their overall experience as excellent. Fourteen more cruise ships are scheduled to visit Busselton in 2015-16.
- [Perth hosted the Cruise Down Under Conference from 3 to 5 September 2014](#) with more than 120 national and international delegates in attendance. Tourism WA hosted eight VIP delegates, including senior executives from three east coast-based ground-handlers. Conference keynote speakers were also taken on a two-night post-event familiarisation trip to Broome.

#### Regional Visitor Centre Sustainability Grant Program

- [The Royalties for Regions Business Case for the Regional Visitor Centre Sustainability Grant Program was approved](#), on 30 March 2015, approving \$4.2 million to enable regional visitor centres to transition towards financial sustainability. The program includes a network-wide grant for the Visitor Centre Association of WA, and its partner Tourism Council WA, to deliver a program of initiatives focused on creating a more robust visitor centre network, training and brand/marketing activities. Up to \$1.1 million will be available for the first funding round of individual visitor centre grants in 2015-16.



## 2.2 FINANCIAL TARGETS

	2014-15 Original Target \$'000	2014-15 Revised Target \$'000	2014-15 Actual \$'000	Variation \$'000
<b>Financial Targets</b>				
Total Cost of Services (approved expense limit)	88,913	87,205	84,912	(2,293)
Net Cost of Services (see Statement of Comprehensive Income)	87,367	84,759	82,163	(2,596)
Total Equity (see Statement of Financial Position)	9,247	11,550	13,859	2,309
Net Increase/(Decrease) in Cash (see Statement of Cash Flows)	87	(620)	(92)	528
Full-Time Equivalent (FTE) staff level	94.5	96.5	94.8	(1.7)

### Total Cost of Services

	\$'000
Original Target / Approved expense limit - 2014-15 State Budget papers	88,913
Approved adjustments during 2014-15:	
2014-15 1% efficiency dividend	(500)
Public Sector Workforce Renewal Policy	(49)
Tourism Demand-Driver Infrastructure grants - Commonwealth-funded program	900
Royalties for Regions adjustments:	
Caravan and Camping - deferral of expenditure to 2016-17	(1,969)
Aboriginal Tourism Development - deferral of program commencement to 2015-16	(1,150)
Regional Visitor Centres - new program approved during the year	300
Expenditure carryovers from 2013-14	799
Miscellaneous expense adjustments	(39)
Revised Target / Approved adjusted 2014-15 expense limit - 2015-16 State Budget Papers	87,205

### 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 \$2.3 million between the Actual Total Cost of Services and the Adjusted Expense Limit is mainly the result of event operation underspends, including Royalties for Regions-funded events (due to sponsorship milestone payments no longer payable and the lead time required to develop and secure replacement events), 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 largely the variation in Net Cost of Services explained above.

#### Net Increase/(Decrease) in Cash

The cash movement variance is the result of budget underspends in 2014-15 (as explained in Total Cost of Services above) offset by the settlement of a greater level of payables by year end (and a subsequent lower payables balance).

#### Full-Time Equivalent (FTE) Staff level

Actual FTEs in 2014-15 represent only a 1.8% variation against the revised FTE target.



Mitchell Falls, The Kimberley

## 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.

	2014-15 Target	2014-15 Actual	Outcome
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.5%	Achieved
The number of inbound visitors to Western Australia, from interstate and international sources	1,914,000	2,041,700	Achieved
Western Australia's share of the international visitors to Australia	13.0%	13.0%	Achieved
Value of cooperative marketing funds provided by the tourism industry	\$4.9 million	\$7.54 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.

	2014-15 Target	2014-15 Actual	Outcome
Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend	1 : 146	1 : 166	Achieved
Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events	1 : 7.16	1 : 10.02	Achieved

Detailed Key Performance Indicators information can be found on pages 74-79.

*\$4.6 million over four  
years was approved for  
the Aboriginal Tourism  
Development Program.*

### 3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

Tourism WA is first and foremost an economic development agency. Our role is to get the conditions right so the tourism industry can succeed. Therefore issues that impact on the industry are our focus.

These are the significant tourism issues impacting the industry:

- Tourism is an industry critical to Australia's economic future. Deloitte Access Economics has identified tourism as one of five industries expected to grow faster than global domestic product over the next 10 to 20 years. In the year ending March 2015, tourism spending in Western Australia totalled \$8.9 billion and about \$2.4 billion of this came from international visitor spending. The industry generates more than 94,000 jobs, which is about seven per cent of the State's employment. The United Nations World Tourism Organisation predicts global tourism growth of three to four per cent in the current financial year. Tourism WA engaged BDA Marketing Planning to inform its marketing focus for 2015-16. This will see an increase in our investment in growth markets – our key South East Asian markets (Singapore and Malaysia) and those markets that have a higher propensity to disperse into our regions (the United Kingdom, Germany, the US and New Zealand) plus, of course, the domestic market. While China is a growth market, the agency is adequately resourced in that market.
- The State Government Strategy for Tourism in Western Australia 2020, released in 2012, outlines a goal to increase the value of tourism in WA to \$12 billion by 2020. When work on the strategy began in 2010, the value of tourism was about \$6.3 billion. By the year ending March 2015, total visitor spending in WA was about \$8.9 billion. To achieve the goal, Western Australia needs to grow tourism by about six per cent per annum. While past growth has been driven by corporate and intrastate travelers, the shift in the resources industry from construction to production means there are fewer corporate and intrastate travellers. Tourism WA will work with the industry to attract leisure visitors and business events.
- Perth is undergoing a major transformation with public and private investment in infrastructure projects such as Elizabeth Quay, the new Perth Stadium, Perth City Link, the new Western Australian Museum, Perth Airport upgrade and redevelopment of Crown Perth. Tourism WA is working with VenuesWest and Department of Sport and Recreation

to develop a Perth Stadium Major Events Strategy and is also working closely with the Metropolitan Redevelopment Authority to activate Elizabeth Quay. The city has also seen an increase in new small bars, restaurants and cafes and, over the next five years, the development of several new luxury hotels including a Ritz-Carlton and a Westin. The changing face of Perth offers an opportunity to re-position the city as an exciting new holiday destination. Tourism WA is working with key destination marketing organisations including the City of Perth, Experience Perth, Perth Convention Bureau and Study Perth to improve the coordination of marketing initiatives to better take advantage of the opportunities presented by the new developments.

- In 2010, Tourism WA calculated that, without growth in hotel capacity, the value of visitor activity that would be lost for the State's economy would be about \$660 million by 2020. It was identified that Perth required an additional 1,900 rooms by 2020 to achieve the State Government's goal of a \$12 billion tourism industry. Western Australia now has more than 2,000 new rooms committed or under construction with opening dates from 2015 to 2019. Existing hotel stock has also been revitalised with renovations infusing new life and higher quality products into Perth. Any further hotel development in Perth will be driven by market forces. Tourism WA will work with industry to fill these rooms with leisure visitors and business events.
- Increasing air capacity to and within the State remains a significant focus – in 2014-15, domestic capacity dropped two per cent while international capacity grew one per cent. In line with these capacity changes, Perth Airport experienced a two per cent increase in international passengers to 4.2 million while domestic passenger numbers declined by one per cent to 9.8 million. Tourism WA continues to work with Perth Airport to attract new airlines and air services to the State's capital. Affordable air services for visitors to regional WA is important to the growth of regional tourism. To achieve this, Tourism WA continues to work with the Department of Transport on the State Aviation Strategy, which has a vision for Western Australia to have a world-class aviation network and infrastructure that supports and promotes the State's economic and social development.
- Providing every visitor with opportunities for an Aboriginal cultural experience is an important objective of the tourism strategy. Through Royalties for Regions, funding has been provided to establish an Aboriginal tourism development program to increase the number of accredited and export-ready Aboriginal tourism businesses across the State through targeted and tailored advice, mentoring and marketing services.

## 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 2015, 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 2015 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 2015.

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 2015.

**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 2015.

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**

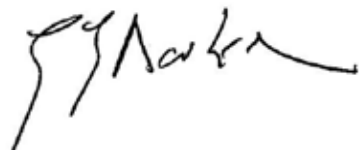
In my opinion, the key performance indicators of the Western Australian Tourism Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2015.

**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 2015 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  
11 September 2015

## 4.2 FINANCIAL STATEMENTS

### CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 2015 and the financial position as at 30 June 2015.

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.



Peter Prendiville  
Chairman  
4 September 2015



Al Donald  
Commissioner  
4 September 2015



Renato Sansalone  
Chief Financial Officer  
4 September 2015



Colonial Brewery, Margaret River  
© Elements Margaret River



## Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	12,291	12,430
Supplies and services	7	25,094	24,938
Depreciation and amortisation expense	8	1,022	984
Accommodation expenses	9	2,039	1,947
Grants and subsidies	10	4,519	759
Event operations expense	11	23,223	26,334
Advertising and promotion expenses	12	16,171	13,511
Other expenses	13	553	135
<b>Total cost of services</b>		<b>84,912</b>	<b>81,038</b>
<b>Income</b>			
<b>Revenue</b>			
Commonwealth grants and contributions	14	900	-
Interest revenue		374	337
Other revenue	15	1,475	1,826
<b>Total Revenue</b>		<b>2,749</b>	<b>2,163</b>
<b>Total income other than income from State Government</b>		<b>2,749</b>	<b>2,163</b>
<b>NET COST OF SERVICES</b>		<b>82,163</b>	<b>78,875</b>
Income from State Government	16		
Service appropriation		65,932	61,895
Resources received free of charge		720	634
Royalties for Regions Fund		16,720	13,507
<b>Total income from State Government</b>		<b>83,372</b>	<b>76,036</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>1,209</b>	<b>(2,839)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	28	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,209</b>	<b>(2,839)</b>

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 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	29	6,464	6,687
Restricted cash and cash equivalents	17, 29	680	549
Receivables	18	2,033	1,322
Prepayments	19	2,983	3,005
Amounts receivable for services	20	475	475
<b>Total Current Assets</b>		<b>12,635</b>	<b>12,038</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	20	6,086	5,869
Property, plant and equipment	22	610	714
Intangible assets	23	768	1,479
Other non-current assets	21	106	114
<b>Total Non-Current Assets</b>		<b>7,570</b>	<b>8,176</b>
<b>TOTAL ASSETS</b>		<b>20,205</b>	<b>20,214</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	3,318	4,631
Provisions	26	2,337	2,259
Other current liabilities	27	56	86
<b>Total Current Liabilities</b>		<b>5,711</b>	<b>6,976</b>
<b>Non-Current Liabilities</b>			
Provisions	26	635	682
Other non current liabilities	27	-	56
<b>Total Non-Current Liabilities</b>		<b>635</b>	<b>738</b>
<b>TOTAL LIABILITIES</b>		<b>6,346</b>	<b>7,714</b>
<b>NET ASSETS</b>		<b>13,859</b>	<b>12,500</b>
<b>EQUITY</b>			
Contributed equity	28	9,093	8,943
Reserves		-	2,010
Accumulated surplus		4,766	1,547
<b>TOTAL EQUITY</b>		<b>13,859</b>	<b>12,500</b>

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 2015

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
<b>Balance at 1 July 2013</b>	28	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
<b>Balance at 30 June 2014</b>		<b>8,943</b>	<b>2,010</b>	<b>1,547</b>	<b>12,500</b>
<b>Balance at 1 July 2014</b>		8,943	2,010	1,547	12,500
Surplus		-	-	1,209	1,209
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,209	1,209
Transfer (to)/from reserves		-	(2,010)	2,010	-
Transactions with owners in their capacity as owners:					
Capital appropriations		150	-	-	150
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		150	-	-	150
<b>Balance at 30 June 2015</b>		<b>9,093</b>	<b>-</b>	<b>4,766</b>	<b>13,859</b>

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

Turquoise Bay, Ningaloo Reef



## Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		65,240	61,203
Capital appropriation		150	150
Holding account drawdown		475	475
Royalties for Regions Fund		16,720	13,507
<b>Net cash provided by State Government</b>		<b>82,585</b>	<b>75,335</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(12,392)	(12,425)
Supplies and services		(24,869)	(25,155)
Accommodation		(2,412)	(1,780)
Grants and subsidies		(4,517)	(722)
GST payments on purchases		(6,371)	(6,107)
Event operations payments		(23,609)	(26,197)
Advertising and promotion payments		(16,150)	(14,901)
Other payments		(120)	(32)
<b>Receipts</b>			
Commonwealth grants and contributions		900	-
Interest received		395	369
GST receipts on sales		122	132
GST receipts from taxation authority		5,217	6,417
Other receipts		1,343	1,477
<b>Net cash used in operating activities</b>	29	<b>(82,463)</b>	<b>(78,924)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(214)	(394)
<b>Receipts</b>			
Proceeds from sale of non-current assets		-	-
<b>Net cash used in investing activities</b>		<b>(214)</b>	<b>(394)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(92)</b>	<b>(3,983)</b>
Cash and cash equivalents at the beginning of the period		7,236	11,219
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	29	<b>7,144</b>	<b>7,236</b>

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 2015

## Note 1. Australian Accounting Standards

### General

The Western Australian Tourism Commission's (WATC) financial statements for the year ended 30 June 2015 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 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 2015.

## 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.



Sugarloaf Rock, Dunsborough  
© Koomal Dreaming

## **(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.

### **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 <sup>(a)</sup>	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, licencing, music, location costs, filming and other production and post-production costs, are carried forward when the future economic benefits can reasonably be regarded as assured. These are carried at cost less accumulated amortisation and accumulated impairment losses. All costs of advertisement placement are 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.



Batavia Coast, Kalbarri



#### (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, 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.

#### (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.

Wandijana rock art at  
Raft Point, The Kimberley  
© Gary Norris



### (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% 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:

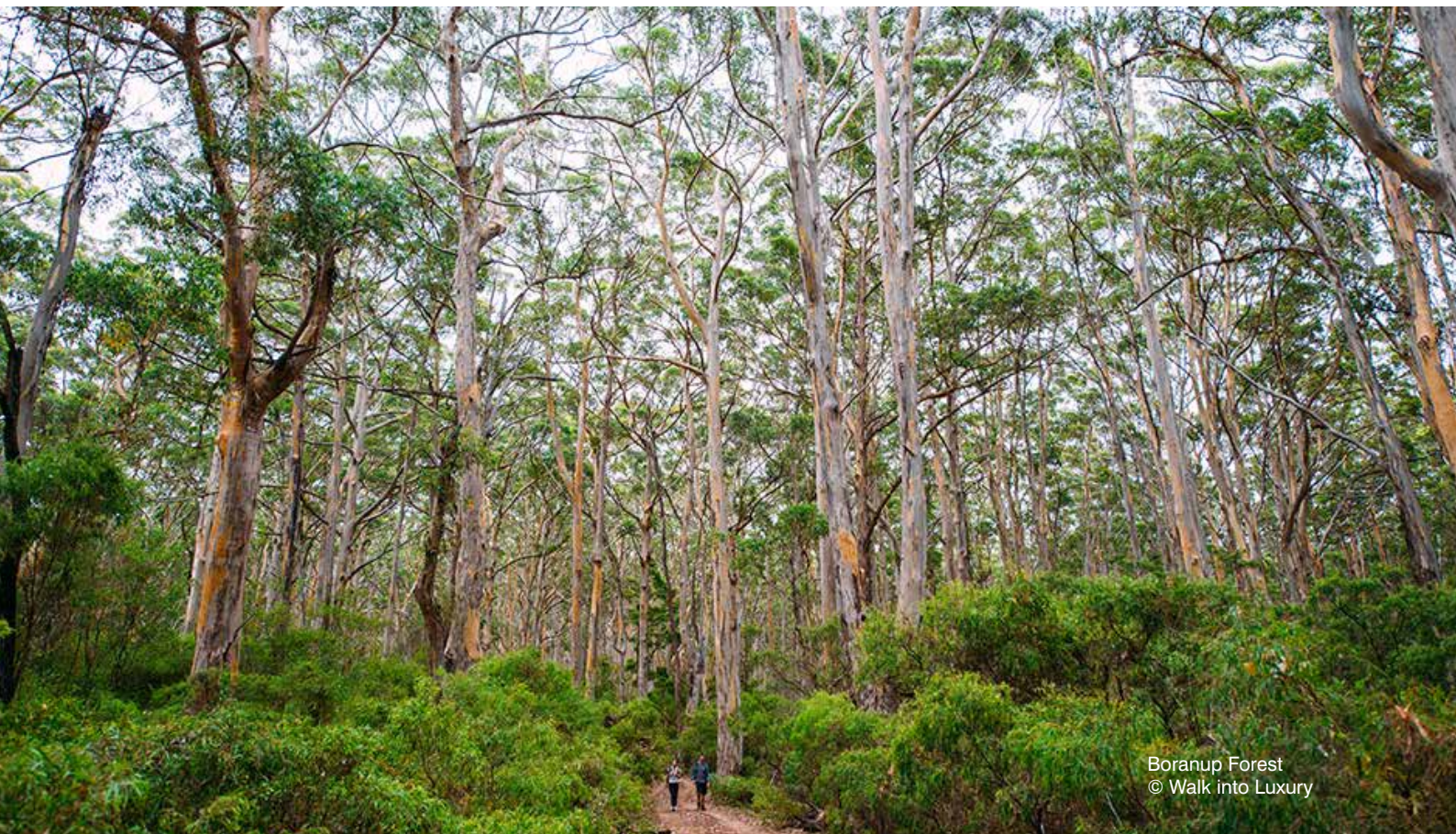
#### Fair value hedges

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.



Boranup Forest  
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### 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 Australian Accounting Standards

The WATC has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the WATC.

<i>Int 21</i>	<i>Levies</i> 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 WATC at reporting date.
<i>AASB 10</i>	<i>Consolidated Financial Statements</i> 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. The adoption of the new Standard 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.
<i>AASB 11</i>	<i>Joint Arrangements</i> This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i> , and 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. 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 liabilities for the unincorporated joint venture.
<i>AASB 12</i>	<i>Disclosure of Interests in Other Entities</i> This Standard, issued in August 2011, supersedes disclosure requirements in 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> . There is no financial impact.
<i>AASB 127</i>	<i>Separate Financial Statements</i> 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 disclosure requirements for the preparation of separate financial statements. There is no financial impact.
<i>AASB 128</i>	<i>Investments in Associates and Joint Ventures</i> This Standard supersedes AASB 128 <i>Investments in Associates</i> , introducing a number of clarifications for the accounting treatments of changed ownership interest. The adoption of the new Standard has no financial impact for the WATC as it does not hold investments in associates and joint ventures.

- AASB 1031** *Materiality*  
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.
- AASB 1055** *Budgetary Reporting*  
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.
- AASB 2011-7** *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]*  
This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. There is no financial impact for the WATC.
- AASB 2012-3** *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]*  
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.
- AASB 2013-3** *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*  
The Standard introduces editorial and disclosure changes. There is no financial impact.
- AASB 2013-4** *Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]*  
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.
- AASB 2013-8** *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]*  
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.
- AASB 2013-9** *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments*  
Part B of 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. It has no financial impact.
- AASB 2014-1** *Amendments to Australian Accounting Standards*  
Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the WATC.  
Part B of this Standard has no financial impact as the WATC contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.  
Part C of this Standard has no financial impact as it removes references to AASB 1031 *Materiality* from a number of Accounting Standards.
- AASB 2015-7** *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*  
This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

## 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 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
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 2012-6, AASB 2013-9 and 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 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the WATC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2017
AASB 2010-7	<p><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 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments</i></p> <p>Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. 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.</p>	1 Jan 2015
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the WATC to determine the application or the potential impact of this Standard.</p>	1 Jan 2015
AASB 2014-3	<p><i>Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 &amp; 11]</i></p> <p>The WATC establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore there is no financial impact on application of the Standard.</p>	1 Jan 2016
AASB 2014-4	<p><i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</i></p> <p>The adoption of this Standard has no financial impact for the WATC as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2017
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 2014-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 &amp; 2010)]</i></p> <p>This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2014-9	<p><i>Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</i></p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 2014-10	<p><i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 2015-1	<p><i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 2015-2	<p><i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure that entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	1 Jan 2016
AASB 2015-3	<p><i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>	1 Jul 2015
AASB 2015-6	<p><i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The WATC has not yet determined the application of the Standard though there is no financial impact.</p>	1 Jul 2016



## Note 6. Employee benefits expense

	2015	2014
	\$'000	\$'000
Wages and salaries (a)	9,945	9,689
Voluntary separation payments	326	664
Superannuation – defined contribution plans (b)	1,071	947
Other staffing costs	949	1,130
	<b>12,291</b>	<b>12,430</b>

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

(b) Defined contribution plans include West State, Gold State and GESB 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

	2015	2014
	\$'000	\$'000
Commissioners' fees and charges	307	328
Communications expenses	376	399
Computer expenses	1,300	1,164
Contracts for service	8,942	8,724
General administration expenses	2,628	2,518
Insurance	70	83
Marketing services	3,297	3,887
Operating lease, rental and hire costs	435	588
Printing and stationery	40	44
Professional services (a)	4,790	4,539
Research	1,940	1,534
Travel	849	930
Vehicles	120	200
	<b>25,094</b>	<b>24,938</b>

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

Cape to Cape Track,  
Margaret River Wine Region  
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## Note 8. Depreciation and amortisation expense

	2015 \$'000	2014 \$'000
<u>Depreciation</u>		
Leasehold improvements	1	1
Furniture, fittings and equipment	123	306
Computer equipment	98	47
<b>Total depreciation</b>	<b>222</b>	<b>354</b>
<u>Amortisation</u>		
Software and website development	65	42
Development costs	179	162
Campaign production costs	556	426
<b>Total amortisation</b>	<b>800</b>	<b>630</b>
<b>Total depreciation and amortisation</b>	<b>1,022</b>	<b>984</b>

## Note 9. Accommodation expenses

	2015 \$'000	2014 \$'000
Cleaning	78	75
Lease rentals	1,476	1,357
Utilities	90	102
Repairs and maintenance	395	413
<b>Total</b>	<b>2,039</b>	<b>1,947</b>



Pinky Beach,  
Rottnest Island

## Note 10. Grants and subsidies

	2015	2014
	\$'000	\$'000
Royalties for Regions		
Caravan and Camping grants	2,367	48
Regional Visitor Centre grants	240	-
Kimberley Science and Conservation Strategy grants	105	-
Tourism Demand-Driver Infrastructure grants	900	-
Other grants and sponsorships	907	711
	<b>4,519</b>	<b>759</b>

## Note 11. Events operations expense

	2015	2014
	\$'000	\$'000
Event sponsorship by funding source		
Consolidated Account	14,773	18,195
Royalties for Regions Fund – Regional Events Program	7,795	7,498
Private sector contributions	655	641
	<b>23,223</b>	<b>26,334</b>

## Note 12. Advertising and promotion expenses

	2015	2014
	\$'000	\$'000
Promotions and co-operative campaigns	13,022	11,509
Collateral – production and distribution	1,186	523
Familiarisation visits	1,913	1,387
Multimedia and audiovisual	50	92
	<b>16,171</b>	<b>13,511</b>

## Note 13. Other expenses

	2015	2014
	\$'000	\$'000
Employment on-costs	64	21
Loss on disposal of non-current assets	11	52
Loss on foreign exchange	-	9
Royalties for Regions - refund of cash balances (a)	437	-
Miscellaneous expenses	-	53
	<b>116</b>	<b>135</b>

a) Represents refund of Royalties for Regions cash balances for programs that expired at the end of the reporting period. The refund has been recorded as a payable (see Note 25 'Payables') and the cash held is included in restricted cash (see Note 17 'Restricted cash and cash equivalents').

## Note 14. Commonwealth grants and contributions

	2015	2014
	\$'000	\$'000
Recurrent grants - Tourism Demand-Driver Infrastructure	900	-
	<b>900</b>	<b>-</b>

This funding relates to a National Partnership agreement that became effective in 2014-15 between the Commonwealth of Australia and all the States and Territories. Western Australia, through the WATC, will receive \$5.06 million over four years to be used for the delivery of infrastructure projects that contribute to Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure.

## Note 15. Other revenue

	2015	2014
	\$'000	\$'000
Industry contributions and sponsorship	880	1,030
Travel agents' commissions	33	47
Gain on foreign exchange	32	-
Miscellaneous revenue	530	749
	<b>1,475</b>	<b>1,826</b>

## Note 16. Income from State Government

	2015	2014
	\$'000	\$'000
Appropriation received during the period:		
Service appropriations (a)	65,932	61,895
	<b>65,932</b>	<b>61,895</b>
Services received free of charge from other State government agencies during the period:		
- Department of Finance	243	281
- State Solicitors Office	25	28
- WA Land Information Authority (Landgate)	452	325
	<b>720</b>	<b>634</b>
Royalties for Regions Fund:		
- Regional Community Services Account (b)	16,720	13,507
	<b>83,372</b>	<b>76,036</b>

(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 2015 comprises funding of \$9.56m for Regional Events (2014: \$9.552m), \$1.623m for a Regional Tourism Marketing Program (2014: \$1.623m), \$0.981m for a Kimberley Science and Conservation Strategy (2014: \$1.294m), \$4.253m for the Caravan and Camping Action Plan (2014: \$0.705m), \$0.3m for a Regional Visitor Centres program (2014: nil) and \$3k for regional workers incentives allowance payments (2014: \$3k).

## Note 17. Restricted cash and cash equivalents

	2015	2014
	\$'000	\$'000
<u>Current</u>		
Royalties for Regions Fund (a)	680	549
	<b>680</b>	<b>549</b>

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

## Note 18. Receivables

	2015	2014
	\$'000	\$'000
<u>Current</u>		
Receivables	282	63
Allowance for impairment of receivables	-	-
Accrued revenue	165	219
Hopman Cup receivable (a)	116	431
GST receivable	1,470	609
	<b>2,033</b>	<b>1,322</b>
<u>Hopman Cup receivable (a)</u>		
Distribution due at start of period	431	279
- Plus share of profits for the current event	-	152
	<b>431</b>	<b>431</b>
Less distribution received	(279)	-
Less adjustment to prior year share of profits	(36)	-
<b>Balance due at end of period</b>	<b>116</b>	<b>431</b>
<b>Total receivables</b>	<b>2,033</b>	<b>1,322</b>

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

(a) Hopman Cup receivable

*Event organisation of the Hopman Cup tennis event has, since February 2001, been undertaken by the International Tennis Federation. Under a previous contract the WATC was entitled to 25% of the profits of the venture. A new agreement was entered into effective from the 2015 event that sees the removal of profit share arrangements.*

## Note 19. Prepayments

	2015	2014
	\$'000	\$'000
Event sponsorship	1,628	2,623
Licence, maintenance and support fees	1,004	55
Accommodation expenses	187	142
Other	164	185
	<b>2,983</b>	<b>3,005</b>

## Note 20. Amounts receivable for services (Holding Account)

	2015	2014
	\$'000	\$'000
Current	475	475
Non-current	6,086	5,869
	<b>6,561</b>	<b>6,344</b>

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

	2015	2014
	\$'000	\$'000
Investments (a)	106	114
<b>Total non-current</b>	<b>106</b>	<b>114</b>

(a) At 30 June 2015, the WATC held an 11.94% interest (2014: 11.94%) in the Australian Tourism Data Warehouse Pty Ltd (ATDW), which is classified as an available-for-sale financial 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

	2015	2014
	\$'000	\$'000
<u>Leasehold improvements</u>		
At cost	-	26
Accumulated depreciation	-	(19)
	-	7
<u>Furniture, fittings and equipment</u>		
At cost	2,853	2,866
Accumulated depreciation	(2,411)	(2,301)
	442	565
<u>Computer equipment</u>		
At cost	460	639
Accumulated depreciation	(292)	(497)
	168	142
<b>Total</b>	<b>610</b>	<b>714</b>

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
2015	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of period	7	565	142	714
Additions	-	-	124	124
Transfers	-	-	-	-
Other disposals	(6)	-	-	(6)
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	(1)	(123)	(98)	(222)
<b>Carrying amount at end of period</b>	<b>-</b>	<b>442</b>	<b>168</b>	<b>610</b>

	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
2014	\$'000	\$'000	\$'000	\$'000
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)
<b>Carrying amount at end of period</b>	<b>7</b>	<b>565</b>	<b>142</b>	<b>714</b>

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.



Antony Gormley Sculpture  
at Lake Ballard, Menzies

## Note 23. Intangible assets

	2015	2014
	\$'000	\$'000
<u>Software and website development</u>		
At cost	215	125
Accumulated amortisation	(132)	(66)
	<b>83</b>	<b>59</b>
<u>Development costs</u>		
At cost	556	556
Accumulated amortisation	(556)	(377)
	-	<b>179</b>
<u>Campaign production costs</u>		
At cost	1,667	1,667
Accumulated amortisation	(982)	(426)
	<b>685</b>	<b>1,241</b>
Reconciliations:		
<u>Software and website development</u>		
Carrying amount at start of period	59	101
Additions	89	-
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(65)	(42)
<b>Carrying amount at end of period</b>	<b>83</b>	<b>59</b>
<u>Development costs</u>		
Carrying amount at start of period	179	225
Additions	-	116
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(179)	(162)
<b>Carrying amount at end of period</b>	<b>-</b>	<b>179</b>
<u>Campaign production costs</u>		
Carrying amount at start of period	1,241	1,644
Additions	-	23
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(556)	(426)
<b>Carrying amount at end of period</b>	<b>685</b>	<b>1,241</b>



## Note 24. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2015.

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 2015 have either been classified as assets held for sale or written-off.

## Note 25. Payables

	2015 \$'000	2014 \$'000
<u>Current</u>		
Trade payables	1,066	1,156
Other payables	43	52
Accrued salaries	347	332
Accrued expenses	1,862	3,091
<b>Total current</b>	<b>3,318</b>	<b>4,631</b>

## Note 26. Provisions

	2015 \$'000	2014 \$'000
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave (a)	1,025	950
Long service leave (b)	1,009	996
Purchased leave	5	2
	2,039	1,948
<i>Other provisions</i>		
Employment on-costs (c)	298	311
	298	311
	<b>2,337</b>	<b>2,259</b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave (b)	547	581
	547	581
<i>Other provisions</i>		
Employment on-costs (c)	88	101
	88	101
	<b>635</b>	<b>682</b>

(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:

	2015 \$'000	2014 \$'000
Within 12 months of the end of the reporting period	692	620
More than 12 months after the end of the reporting period	333	330
	<b>1,025</b>	<b>950</b>

(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:

	2015	2014
	\$'000	\$'000
Within 12 months of the end of the reporting period	422	330
More than 12 months after the end of the reporting period	1,134	1,247
	<b>1,556</b>	<b>1,577</b>

(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

	2015	2014
	\$'000	\$'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	412	396
Additional provisions recognised	-	16
Payments/other sacrifices of economic benefits	(26)	-
Unwinding of the discount	-	-
Carrying amount at end of period	<b>386</b>	<b>412</b>

#### Note 27. Other liabilities

	2015	2014
	\$'000	\$'000
<u>Current</u>		
Income in advance	-	28
Lease incentive liability (a)	56	56
Other	-	2
<b>Total current</b>	<b>56</b>	<b>86</b>
<u>Non-current</u>		
Lease incentive liability (a)	-	56
<b>Total non-current</b>	<b>-</b>	<b>56</b>

(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

	2015 \$'000	2014 \$'000
Balance at start of period	8,943	8,793
<u>Contributions by owners</u>		
Capital appropriation	150	150
<b>Total contributions by owners</b>	<b>150</b>	<b>150</b>
<b>Balance at end of period</b>	<b>9,093</b>	<b>8,943</b>

### Reserves

	2015 \$'000	2014 \$'000
<u>Asset revaluation surplus</u>		
Balance at start of period	2,010	2,010
Net revaluation increments/(decrements)	-	-
Transfer to accumulated surplus (a)	(2,010)	-
<b>Balance at end of period</b>	<b>-</b>	<b>2,010</b>

### Accumulated surplus

	2015 \$'000	2014 \$'000
Balance at start of period	1,547	4,386
Result for the period	1,209	(2,839)
Income and expense recognised directly in equity	-	-
Transfer from asset revaluation reserve (a)	2,010	-
<b>Balance at end of period</b>	<b>4,766</b>	<b>1,547</b>
<b>Total equity at end of period</b>	<b>13,859</b>	<b>12,500</b>

(a) Asset revaluation surpluses for assets no longer held by the WATC were transferred to Accumulated Surplus during 2014-15.



Gantheaume Point, Broome

## 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:

	2015	2014
	\$'000	\$'000
Cash and cash equivalents	6,464	6,687
Restricted cash and cash equivalents	680	549
	<b>7,144</b>	<b>7,236</b>

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

	2015	2014
	\$'000	\$'000
Net cost of services	(82,163)	(78,875)
<u>Non-cash items</u>		
Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	1,022	984
Services received free of charge (note 16 'Income from State Government')	720	634
Net loss on disposal of property, plant and equipment	7	-
(Gain)/loss on foreign exchange	(8)	9
Write-down of prior year debt	36	-
Adjustment for other non-cash items	(7)	-
<u>(Increase)/decrease in assets</u>		
Current receivables (a)	150	(166)
Other current assets	22	(327)
Other non-current assets	8	53
<u>Increase/(decrease) in liabilities</u>		
Current payables (a)	(1,313)	(1,678)
Current provisions	78	(143)
Other current liabilities	(30)	(78)
Non-current provisions	(47)	(29)
Other non-current liabilities	(56)	(56)
Net GST receipts/(payments) (b)	(1,033)	442
Change in GST in receivables/payables (c)	151	306
<b>Net cash used in operating activities</b>	<b>(82,463)</b>	<b>(78,924)</b>

(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

	2015 \$'000	2014 \$'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	1,601	1,860
Later than 1 year and not later than 5 years	274	1,301
	<b>1,875</b>	<b>3,161</b>

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

	2015 \$'000	2014 \$'000
Other expenditure commitments in relation to the sponsorship of events within Western Australia and other contracts and agreements for operational activities in place at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	28,027	35,837
Later than 1 year and not later than 5 years	27,490	18,110
	<b>55,517</b>	<b>53,947</b>

## 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 budgets and actual results for 2015 and between the actual results for 2014 and 2015 are shown below. Significant variations are considered to be those greater than 10% and \$500,000 or greater than \$2 million.

It should be noted that 2015 Budget figures in the following tables do not match budgets contained in the 2014-15 State Budget Statements due to categorisation differences between Tourism WA's financial statements and the State budget statements. For comparative purposes against 2015 actuals, budgets reported in this note represent State budget figures after recategorisation adjustments. The totals of each financial statement as reported in the 2014-15 State Budget Statements remain unchanged.

Budgets reported in this note represent original budget targets. During the course of any given year, budgets are revised to account for new or adjusted Government initiatives through the whole-of-Government Mid Year Budget Review Process and other State Budget review processes. Statement of Financial Position budgets are also revised during the year to account for prior year audited actuals. The tables below provide a summary comparison of original budget and revised budget targets for key financial statement items.

### 2015 Key Budget Movements

	Original Budget 2015 \$'000	Revised Budget 2015 \$'000	Budget Movement \$'000
<u>Statement of Comprehensive Income</u>			
Total cost of services <sup>1</sup>	88,913	87,205	(1,708)
Net cost of services	87,367	84,759	(2,608)
Service appropriation	66,481	65,932	(549)
Royalties for Regions Fund	20,041	17,275	(2,766)
Total income from State Government	86,975	83,660	(3,315)
<u>Statement of Financial Position</u>			
Cash and cash equivalents	5,389	6,616	1,227
Total current assets	10,566	11,418	852
Total assets	18,487	19,177	690
Total liabilities	9,240	7,627	(1,613)
Total equity	9,247	11,550	2,303
			<b>\$'000</b>
<b><sup>1</sup>Total cost of services – original budget</b>			<b>88,913</b>
<u>Budget adjustments during the year:</u>			
2014-15 1% efficiency dividend			(500)
Public Sector Workforce Renewal Policy			(49)
Tourism Demand-Driver Infrastructure grants – Commonwealth-funded program			900
<u>Royalties for Regions adjustments:</u>			
Caravan and Camping – deferral of expenditure to 2016-17			(1,969)
Aboriginal Tourism Development – deferral of program commencement to 2015-16			(1,150)
Regional Visitor Centres – new program approved during the year			300
Expenditure carryovers from 2013-14			799
Miscellaneous adjustments			(39)
<b>Total budget adjustments during the year</b>			<b>(1,708)</b>
<b>Total cost of services – revised budget</b>			<b>87,205</b>

## Statement of Comprehensive Income

	Variance Note	Original Budget 2015	Actual 2015	Variance between budget and actual	Variance between budget and actual	Actual 2014	Variance between actual results for 2015 and 2014	Variance between actual results for 2015 and 2014
		\$'000	\$'000	\$'000	%	\$'000	\$'000	%
<b>COST OF SERVICES</b>								
<b>Expenses</b>								
Employee benefits expense		12,655	12,291	(364)	3%	12,430	(139)	1%
Supplies and services		26,353	25,094	(1,259)	5%	24,938	156	1%
Depreciation and amortisation expense		1,259	1,022	(237)	19%	984	38	4%
Accommodation expenses		2,495	2,039	(456)	18%	1,947	92	5%
Grants and subsidies	1, A	5,090	4,519	(571)	11%	759	3,760	495%
Event operations expenses	B	24,889	23,223	(1,666)	7%	26,334	(3,111)	12%
Advertising and promotion expenses	C	16,121	16,171	50	0%	13,511	2,660	20%
Other expenses	2	51	553	502	989%	135	418	310%
<b>Total cost of services</b>		<b>88,913</b>	<b>84,912</b>	<b>(4,001)</b>	<b>4%</b>	<b>81,038</b>	<b>3,874</b>	<b>5%</b>
<b>Income</b>								
<b>Revenue</b>								
Commonwealth grants and contributions	3, D	-	900	900	100%	-	900	100%
Interest revenue		250	374	124	50%	337	37	11%
Other revenue		1,296	1,475	179	14%	1,826	(351)	19%
<b>Total Revenue</b>		<b>1,546</b>	<b>2,749</b>	<b>1,203</b>	<b>78%</b>	<b>2,163</b>	<b>586</b>	<b>27%</b>
<b>Total income other than income from State Government</b>		<b>1,546</b>	<b>2,749</b>	<b>1,203</b>	<b>78%</b>	<b>2,163</b>	<b>586</b>	<b>27%</b>
<b>NET COST OF SERVICES</b>		<b>87,367</b>	<b>82,163</b>	<b>(5,204)</b>	<b>6%</b>	<b>78,875</b>	<b>3,288</b>	<b>4%</b>
<b>Income from State Government</b>								
Service appropriation	E	66,481	65,932	(549)	1%	61,895	4,037	7%
Resources received free of charge		453	720	267	59%	634	86	14%
Royalties for Regions Fund	4, F	20,041	16,720	(3,321)	17%	13,507	3,213	24%
<b>Total income from State Government</b>		<b>86,975</b>	<b>83,372</b>	<b>(3,603)</b>	<b>4%</b>	<b>76,036</b>	<b>7,336</b>	<b>10%</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(392)</b>	<b>1,209</b>	<b>1,601</b>		<b>(2,839)</b>	<b>4,048</b>	
<b>OTHER COMPREHENSIVE INCOME</b>								
<b>Items not reclassified subsequently to profit or loss</b>								
Changes in asset revaluation surplus		-	-	-	0%	-	-	0%
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(392)</b>	<b>1,209</b>	<b>1,601</b>		<b>(2,839)</b>	<b>4,048</b>	

## Statement of Financial Position

	Variance Note	Original Budget 2015	Actual 2015	Variance between budget and actual	Variance between budget and actual	Actual 2014	Variance between actual results for 2015 and 2014	Variance between actual results for 2015 and 2014
		\$'000	\$'000	\$'000	%	\$'000	\$'000	%
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	5	5,389	6,464	1,075	20%	6,687	(223)	3%
Restricted cash and cash equivalents	6	-	680	680	100%	549	131	24%
Receivables	G	1,761	2,033	272	15%	1,322	711	54%
Prepayments		2,941	2,983	42	1%	3,005	(22)	1%
Amounts receivable for services		475	475	-	0%	475	-	0%
<b>Total Current Assets</b>		<b>10,566</b>	<b>12,635</b>	<b>2,069</b>	<b>20%</b>	<b>12,038</b>	<b>597</b>	<b>5%</b>
<b>Non-Current Assets</b>								
Amounts receivable for services		6,086	6,086	-	0%	5,869	217	4%
Property, plant and equipment		776	610	(166)	21%	714	(104)	15%
Intangible assets	H	892	768	(124)	14%	1,479	(711)	48%
Other non-current assets		167	106	(61)	36%	114	(8)	7%
<b>Total Non-Current Assets</b>		<b>7,921</b>	<b>7,570</b>	<b>(351)</b>	<b>4%</b>	<b>8,176</b>	<b>(606)</b>	<b>7%</b>
<b>TOTAL ASSETS</b>		<b>18,487</b>	<b>20,205</b>	<b>1,718</b>	<b>9%</b>	<b>20,214</b>	<b>(9)</b>	<b>0%</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Payables	7, I	6,346	3,318	(3,028)	48%	4,631	(1,313)	28%
Provisions		2,126	2,337	211	10%	2,259	78	3%
Other current liabilities		56	56	-	1%	86	(30)	34%
<b>Total Current Liabilities</b>		<b>8,528</b>	<b>5,711</b>	<b>(2,817)</b>	<b>33%</b>	<b>6,976</b>	<b>(1,265)</b>	<b>18%</b>
<b>Non-Current Liabilities</b>								
Provisions		712	635	(77)	11%	682	(47)	7%
Other non-current liabilities		-	-	-	0%	56	(56)	100%
<b>Total Non-Current Liabilities</b>		<b>712</b>	<b>635</b>	<b>(77)</b>	<b>11%</b>	<b>738</b>	<b>(103)</b>	<b>14%</b>
<b>TOTAL LIABILITIES</b>		<b>9,240</b>	<b>6,346</b>	<b>(2,894)</b>	<b>31%</b>	<b>7,714</b>	<b>(1,368)</b>	<b>18%</b>
<b>NET ASSETS</b>		<b>9,247</b>	<b>13,859</b>	<b>4,612</b>	<b>50%</b>	<b>12,500</b>	<b>1,359</b>	<b>11%</b>
<b>EQUITY</b>								
Contributed equity		9,093	9,093	-	0%	8,943	150	2%
Reserves	8, J	2,010	-	(2,010)	100%	2,010	(2,010)	100%
Accumulated surplus/(deficit)		(1,856)	4,766	6,622		1,547	3,219	
<b>TOTAL EQUITY</b>		<b>9,247</b>	<b>13,859</b>	<b>4,612</b>	<b>50%</b>	<b>12,500</b>	<b>1,359</b>	<b>11%</b>



## Statement of Cash Flows

	Variance Note	Original Budget 2015	Actual 2015	Variance between budget and actual	Variance between budget and actual	Actual 2014	Variance between actual results for 2015 and 2014	Variance between actual results for 2015 and 2014
		\$'000	\$'000	\$'000	%	\$'000	\$'000	%
<b>CASH FLOWS FROM STATE GOVERNMENT</b>								
Service appropriation	E	65,789	65,240	(549)	1%	61,203	4,037	7%
Capital appropriation		150	150	-	0%	150	-	0%
Holding account drawdown		475	475	-	0%	475	-	0%
Royalties for Regions Fund	4, F	20,041	16,720	(3,321)	17%	13,507	3,213	24%
<b>Net cash provided by State Government</b>		<b>86,455</b>	<b>82,585</b>	<b>(3,870)</b>	<b>4%</b>	<b>75,335</b>	<b>7,250</b>	<b>10%</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
<b>Payments</b>								
Employee benefits		(12,655)	(12,392)	(263)	2%	(12,425)	(33)	0%
Supplies and services		(25,813)	(24,869)	(944)	4%	(25,155)	(286)	1%
Accommodation	K	(2,670)	(2,412)	(258)	10%	(1,780)	632	36%
Grants and subsidies	1, A	(5,090)	(4,517)	(573)	10%	(722)	3,795	526%
GST payments on purchases	9	(3,341)	(6,371)	3,030	91%	(6,107)	264	4%
Event operations payments	B	(24,889)	(23,609)	(1,280)	5%	(26,197)	(2,588)	10%
Advertising and promotion payments		(16,121)	(16,150)	29	0%	(14,901)	1,249	8%
Other payments		(51)	(120)	69	135%	(32)	88	274%
<b>Receipts</b>								
Commonwealth grants and contributions	3, D	-	900	900	100%	-	900	100%
Interest received		250	395	145	58%	369	26	7%
GST receipts on sales		343	122	(221)	64%	132	(10)	8%
GST receipts from taxation authority	9, L	2,998	5,217	2,219	74%	6,417	(1,200)	19%
Other receipts		1,296	1,343	47	4%	1,477	(134)	9%
<b>Net cash used in operating activities</b>		<b>(85,743)</b>	<b>(82,463)</b>	<b>(3,280)</b>	<b>4%</b>	<b>(78,924)</b>	<b>3,539</b>	<b>4%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Payments</b>								
Purchase of non-current assets		(625)	(214)	(411)	66%	(394)	(180)	46%
<b>Receipts</b>								
Proceeds from sale of non-current assets		-	-	-	0%	-	-	0%
<b>Net cash used in investing activities</b>		<b>(625)</b>	<b>(214)</b>	<b>(411)</b>	<b>66%</b>	<b>(394)</b>	<b>(180)</b>	<b>46%</b>
Net increase/(decrease) in cash and cash equivalents		87	(92)	(179)		(3,983)	3,890	
Cash and cash equivalents at the beginning of the period		5,302	7,236	1,934		11,219	(3,983)	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>5,389</b>	<b>7,144</b>	<b>1,755</b>		<b>7,236</b>	<b>(92)</b>	

## Major Estimate and Actual (2015) Variance Narratives

1. The underspend in 'Grants and subsidies' is mainly due to the deferral of Caravan and Camping expenditure (Royalties for Regions) to 2016-17 offset by two 4-year grant programs that commenced during the year – Tourism Demand-Driver Infrastructure grants (Commonwealth-funded) and Regional Visitor Centres grants (Royalties for Regions).
2. The 'Other expenses' variation is mostly driven by the return of Royalties for Regions funds, held as restricted cash and recognised as a payable, to the Department of Treasury (see Note 13 'Other expenses').
3. 'Commonwealth grants and contributions' represents National Partnership funding for the Tourism Demand-Driver Infrastructure grants program that commenced in 2014-15. The agreement was signed by the Western Australian Minister for Tourism in April 2015 and allocates funding to the States to support delivery of tourism infrastructure projects.
4. The variation in Royalties for Regions funding from budget is largely due to the deferral of approximately \$2 million in Caravan and Camping funding to 2016-17 and the deferral of program commencement to 2015-16 of the Aboriginal Tourism Development Program.
5. The original budget for Cash and cash equivalents was set during the 2014-15 State Budget process (in the second half of 2013-14). The estimate was based on the 2012-13 final cash balance and adjusted for any budget changes affecting net cash movements in 2013-14 and 2014-15. At the end of 2013-14, the WATC reported an overall underspend and collected more revenue than anticipated which resulted in a higher actual cash balance at the commencement of 2014-15.
6. Restricted cash and cash equivalents represents the balance of Royalties for Regions program funds unspent at end of year. Restricted cash is not provided for in the budget as it is assumed that annual program funding will be fully expended.
7. Similar to note 5 above, the 2014-15 published estimate for Payables was based on the 2012-13 final payables balance that was significantly greater than the final outcome for 2014-15. The lower payables balance at the end of 2014-15 is due to a greater volume of supplier invoices received and settled prior to end of year that resulted in fewer outstanding commitments at reporting date.
8. The variation in 'Reserves' is due to the transfer in 2014-15 of the asset revaluation reserve balance to accumulated surplus. The reserve related to a land asset that was disposed in a prior period.
9. GST inflow/outflow estimates are currently understated in the WATC's section of the State budget papers. These estimates will be updated in the 2015-16 whole-of-Government Mid Year Budget Review process.



## Major Actual (2015) and Comparative (2014) Variance Narratives

- A. The 'Grants and subsidies' expenditure increase from prior year is largely due to a significant increase in Caravan and Camping grants in year two of the project plus the introduction of new grant programs in 2014-15 (Tourism Demand-Driver Infrastructure and Regional Visitor Centres).
- B. The decrease in events expenditure is mainly due to the sponsorship of the Australian Surf Life Saving Championships (Aussies) in 2013-14 for which special one-off purpose funding was provided to the WATC.
- C. The increase in 'Advertising and promotion expenses' is the result of funding provided to the WATC as part of the Government's 2013 election commitment of additional tourism marketing.
- D. Refer to note 3 above.
- E. The increase in 'Service appropriation' is mostly due to an increase in 2013 election commitment funding for additional tourism marketing plus the reinstatement in 2014-15 of advertising expenditure funding that was reduced in 2013-14 as a result of a whole-of-Government savings measure. These funding increases are offset by other Government savings measures that were applied during 2014-15.
- F. Royalties for Regions funding was greater in 2014-15 mostly due to an increase in funding for the Caravan and Camping program in Year 2 of the project.
- G. The Receivables balance includes two month's worth of GST refunds due from the Australian Taxation Office (ATO) at the end of the reporting period compared with one months' worth at the end of the prior year.
- H. The decrease in Intangible assets from the prior year is due to amortisation expense far exceeding additions during the reporting period.
- I. Refer to note 7 above - the decrease in Payables is the result of more supplier invoices received and settled by year end compared to the prior year.
- J. Refer to note 8 above.
- K. Accommodation payments in the Statement of Cash Flows is greater than the prior year due to an increase in lease costs effective from February 2014 that was invoiced and paid retrospectively in December 2014.
- L. GST receipts from taxation authority represent net refunds from the ATO on GST that the WATC pays on expenditure and collects on revenue. Returns are lodged monthly with the ATO and the timing of refunds can vary. The decrease from prior year is due to 11 months' worth of refunds received in 2014-15 (June 2014 to April 2015) compared to 13 months in 2013-14 (May 2013 to May 2014).



## 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 instrument 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 2014-15, 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% 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:

	2015	2014
	\$'000	\$'000
<u>Financial Assets</u>		
Cash and cash equivalents	6,464	6,687
Restricted cash and cash equivalents	680	549
Receivables (a)	563	713
Amounts receivable for services	6,561	6,344
Available for sale financial asset	106	114
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	3,318	4,631

(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		More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>								
<b>2015</b>								
Cash and cash equivalents	6,464	6,464	-	-	-	-	-	-
Restricted cash and cash equivalents	680	680	-	-	-	-	-	-
Receivables (a)	563	415	-	148	-	-	-	-
Amounts receivable for services	6,561	6,561	-	-	-	-	-	-
Available for sale asset	106	106	-	-	-	-	-	-
	<b>14,374</b>	<b>14,226</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2014</b>								
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	-	-	-	-	-	-
	<b>14,407</b>	<b>14,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Wildflowers, Coalseam  
Conservation Park, Mingenew

## 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
<b>2015</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
Cash and cash equivalents	2.50	6,464	-	6,420	44
Restricted cash and cash equivalents	2.50	680	-	680	-
Receivables (a)		563	-	-	563
Amounts receivable for services		6,561	-	-	6,561
Available for sale asset		106	-	-	106
		<b>14,374</b>	<b>-</b>	<b>7,100</b>	<b>7,274</b>
<b>Financial Liabilities</b>					
Payables		3,318	-	-	3,318
		<b>3,318</b>	<b>-</b>	<b>-</b>	<b>3,318</b>

(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
<b>2014</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
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
		<b>14,407</b>	<b>-</b>	<b>7,193</b>	<b>7,214</b>
<b>Financial Liabilities</b>					
Payables	-	4,631	-	-	4,631
		<b>4,631</b>	<b>-</b>	<b>-</b>	<b>4,631</b>

(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
6,464	6,464	-	-	-	-
680	680	-	-	-	-
563	563	-	-	-	-
6,561	-	-	475	1,900	4,186
106	106	-	-	-	-
<b>14,374</b>	<b>7,813</b>	<b>-</b>	<b>475</b>	<b>1,900</b>	<b>4,186</b>
3,318	2,881	-	437	-	-
<b>3,318</b>	<b>2,881</b>	<b>-</b>	<b>437</b>	<b>-</b>	<b>-</b>

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	-	-	-	-
<b>14,407</b>	<b>8,063</b>	<b>-</b>	<b>475</b>	<b>1,900</b>	<b>3,969</b>
4,631	4,631	-	-	-	-
<b>4,631</b>	<b>4,631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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% 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
<b>2015</b>					
<u>Financial Assets</u>					
Cash and cash equivalents	6,420	(64)	(64)	64	64
Restricted cash and cash equivalents	680	(7)	(7)	7	7
Total Increase/(Decrease)		(71)	(71)	71	71
<b>2014</b>					
<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

## 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.



Big Rock Reserve, Dunsborough  
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## 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:

	2015	2014
\$		
10,001 – 20,000	1	-
30,001 – 40,000	6	7
40,001 – 50,000	1	1
50,001 – 60,000	-	1
60,001 – 70,000	1	-
	<b>\$'000</b>	<b>\$'000</b>
Base remuneration and superannuation	336	351
Other benefits	13	5
<b>Total remuneration of members of the accountable authority</b>	<b>349</b>	<b>356</b>

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:

	2015	2014
<b>Remuneration Band (\$)</b>		
0 – 10,000	-	1
30,001 – 40,000	-	1
50,001 – 60,000	1	-
60,001 – 70,000	-	1
70,001 – 80,000	1	-
80,001 – 90,000	1	-
120,001 – 130,000	1	-
140,001 – 150,000	2	-
160,001 – 170,000	1	1
180,001 – 190,000	-	1
190,001 – 200,000	-	1
210,001 – 220,000	1	-
250,001 – 260,000	-	1
270,001 – 280,000	-	1
280,001 – 290,000	1	-
360,001 – 370,000	1	1
	<b>\$'000</b>	<b>\$'000</b>
Base remuneration and superannuation	1,623	1,446
Annual and long service leave accruals	(57)	41
Other benefits	93	58
<b>Total remuneration of senior officers</b>	<b>1,659</b>	<b>1,545</b>

Total remuneration includes the superannuation expense incurred by the WATC in respect of senior officers. Senior officers are defined as those officers who sat on the Executive Management Team for part or all of the financial year.

## 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:

	2015 \$'000	2014 \$'000
Auditing the accounts, financial statements and performance indicators	109	106

## 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 1 July 2012 and expires 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% of its total funding from the WATC in 2014-15.

Payments inclusive of GST made to the PCB in 2014-15 totalled \$4,046,262 (2013-14: \$3,950,000).

### 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 expired on 30 June 2015 but have been extended to 31 December 2015 pending the finalisation of new agreements.

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% of their total funding from the WATC in 2014-15.

Base payments, inclusive of GST, made to each RTO in 2014-15 were \$748,030 (2013-14: \$715,250). Total additional payments made to the RTOs in 2014-15 for other activities were \$383,043 (2013-14: \$398,765).

### Western Australian Indigenous Tourism Operators Council

The WATC entered into a one-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 30 June 2015 and two new four-year agreements have been entered into – an Administration Services Agreement and a Marketing and Business Development agreement (the latter being funded through the Royalties for Regions Fund).

WAITOC is not subject to operational control by the WATC but received more than 50% of its total funding from the WATC in 2014-15.

Total payments, inclusive of GST, made to WAITOC in 2014-15 were \$511,685 (2013-14: \$516,000).

## Note 39. Supplementary financial information

### (a) Write-offs

	2015 \$'000	2014 \$'000
Public property written off by the Executive Council during the financial year	-	-

### (b) Losses through theft, defaults and other causes

	2015 \$'000	2014 \$'000
Losses of public moneys and public and other property through theft or default	-	-

### (c) Gifts of public property

	2015 \$'000	2014 \$'000
Gifts of public property provided by the WATC	11	11

## Note 40. Schedule of income and expenses by service

	Marketing		Event Tourism		Investment & Infrastructure		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>COST OF SERVICES</b>								
<u>Expenses</u>								
Employee benefits expense	6,048	6,269	3,219	3,548	3,024	2,613	12,291	12,430
Supplies and services	18,107	18,646	3,180	3,649	3,807	2,643	25,094	24,938
Depreciation and amortisation expense	804	723	107	160	111	101	1,022	984
Accommodation expenses	1,375	1,332	335	379	329	236	2,039	1,947
Grants and subsidies	391	388	124	142	4,004	229	4,519	759
Event operations expenses	-	-	23,223	26,334	-	-	23,223	26,334
Advertising and promotion expenses	13,140	11,076	2,654	2,226	377	209	16,171	13,511
Other expenses	45	72	482	38	26	25	553	135
<b>Total cost of services</b>	<b>39,910</b>	<b>38,506</b>	<b>33,324</b>	<b>36,476</b>	<b>11,678</b>	<b>6,056</b>	<b>84,912</b>	<b>81,038</b>
<u>Income</u>								
Commonwealth grants and contributions	-	-	-	-	900	-	900	-
Interest revenue	199	179	86	96	89	62	374	337
Other revenue	686	991	696	814	93	21	1,475	1,826
	<b>885</b>	<b>1,170</b>	<b>782</b>	<b>910</b>	<b>1,082</b>	<b>83</b>	<b>2,749</b>	<b>2,163</b>
<b>Total income other than income from State Government</b>	<b>885</b>	<b>1,170</b>	<b>782</b>	<b>910</b>	<b>1,082</b>	<b>83</b>	<b>2,749</b>	<b>2,163</b>
<b>NET COST OF SERVICES</b>	<b>39,025</b>	<b>37,336</b>	<b>32,542</b>	<b>35,566</b>	<b>10,596</b>	<b>5,973</b>	<b>82,163</b>	<b>78,875</b>
<b>INCOME FROM STATE GOVERNMENT</b>								
Service appropriation	37,299	32,156	23,521	24,637	5,112	5,102	65,932	61,895
Resources received free of charge	383	490	166	88	171	56	720	634
Royalties for Regions Fund	1,623	2,703	9,560	9,553	5,537	1,251	16,720	13,507
<b>Total income from State Government</b>	<b>39,305</b>	<b>35,349</b>	<b>33,247</b>	<b>34,278</b>	<b>10,820</b>	<b>6,409</b>	<b>83,372</b>	<b>76,036</b>
<b>Surplus/(deficit) for the period</b>	<b>280</b>	<b>(1,987)</b>	<b>705</b>	<b>(1,288)</b>	<b>224</b>	<b>436</b>	<b>1,209</b>	<b>(2,839)</b>

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



Ningaloo Marine Park, Exmouth

## 4.3 KEY PERFORMANCE INDICATORS

### CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2015

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 2015.



Peter Prendiville

**CHAIRMAN**

4 September 2015



Al Donald

**COMMISSIONER**

4 September 2015



Fitzroy Bluff,  
Mornington  
Wilderness Camp

## KEY PERFORMANCE INDICATORS

The following Key Performance Indicators (KPIs) 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 fourth year they have been reported on. To more closely align Agency KPIs with government goals, a revised KPI structure has been approved and will be reported in Tourism WA's 2015/16 Annual Report.

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.

	2014-15 Target	Results			
		2014-15 Actual	2013-14 Actual	2012-13 Actual	2011-12 Actual
<b>KPI 1</b>					
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.5%	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=401 visitors for 2014-15.
- v. This was made up of n=105 intrastate, n=130 interstate and n=166 international visitors.
- vi. The response rate for 2014-15 was 75%.
- vii. The confidence interval for the sample of n=401 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 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.

KPI 3 was achieved.

	2014-15 Target	2014-15 Actual	Results		
			2013-14 Actual <sup>(vi)</sup>	2012-13 Actual	2011-12 Actual
<b>KPI 2</b>					
The number of inbound visitors to Western Australia, from interstate and international sources	1,914,000	2,041,700	2,019,400	1,861,100	1,816,900
<b>KPI 3</b>					
Western Australia's share of the international visitors to Australia.	13.0%	13.0%	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 2014 in this instance). YE December information is used as it is usually available ahead of each year's State Budget process.
- ii. The NVS figures are based on a large scale survey of Australians on land line or mobile telephones, 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. KPI 2 relates to the interstate segment of domestic visitation.
- iv. Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in Western Australia.
- v. Visitors include those travelling for leisure, business, visiting friends and relatives and education. Visitor numbers shown in KPI2 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. Previously reported visitor number for KPI 2 were republished in 2013/14. TRA has continued to make slight adjustments to YE December 2013 data (KPI 2 for 2013/14). Previously reported numbers were 2,018,500 against a target of 1,889,000. 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 (intrastate and interstate) is 3,823 and international is 6,049.
- viii. Sample size for Australia visitors domestic is 35,523 and international is 40,188.
- ix. Confidence intervals for Western Australia visitors domestic (intrastate and interstate) is  $\pm 3.95\%$ , and international is  $\pm 3.61\%$ .
- x. Confidence intervals for Australia visitors domestic is  $\pm 1.24\%$  and international is  $\pm 1.36\%$ .
- xi. The response rate for the International Visitor Survey is 70% and the National Visitor Survey is 45%.

Perth City



#### 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.

	2014-15 Target	Results			
		2014-15 Actual	2013-14 Actual	2012-13 Actual	2011-12 Actual
<b>KPI 4</b>					
Value of cooperative marketing funds provided by the tourism industry	\$4.9 million	\$7.54 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 and 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 nine 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.

	2014-15 Target	Results			
		2014-15 Actual	2013-14 Actual	2012-13 Actual	2011-12 Actual
<b>KPI 5</b>					
Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend	1 : 146	1 : 166	1 : 173	1 : 188	1 : 161

#### Notes:

- 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 2014 in this instance).
- The NVS figures are based on a large scale survey of Australians on land line or mobile telephones, while the IVS figures are based on interviews with international tourists at airport departure lounges across Australia.
- Spend information is sourced from the Tourism Regional 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.
- YE December information is used as it is usually available ahead of each year's State Budget process.
- TRA's minor adjustments to YE December 2013 data has not impacted previously reported results.

#### Visitor Spend

- Sample size for Western Australia: daytrips 2,165; domestic 3,534; international 5,069.
- Confidence intervals for Western Australia: daytrips  $\pm 2.11\%$ ; domestic  $\pm 1.65\%$ ; international  $\pm 1.38\%$ . These confidence intervals are calculated by Tourism WA based on total sample sizes.
- The response rate for the International Visitor Survey is 70% and the National Visitor Survey is 45%.
- 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.

	2014-15 Target	Results			
		2014-15 Actual	2013-14 Actual	2012-13 Actual	2011-12 Actual
<b>KPI 6</b>					
Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events	1 : 7.16	1 : 10.02	1 : 7.46	1 : 7.45	1 : 9.56

### Notes:

#### Direct Economic Impact

- i. *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 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.*
- ii. *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).*
- iii. *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

- iv. *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 Tourism WA's identified priorities. In line with the rest of the Agency, 100% of the Advertising Equivalent Value (AEV) is counted.*
- v. *The ratio is shown as: Event Spend compared to ((SEI or REI)+MI).*
- vi. *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.*



The Basin, Rottnest Island

## 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 2014-15.

## 4.5 OTHER FINANCIAL DISCLOSURES

### 4.5.1 CAPITAL WORKS

Tourism WA continued its asset replacement program in 2014-15. This included replacing information and communication technology equipment and other office equipment.

### 4.5.2 EMPLOYMENT AND INDUSTRIAL RELATIONS

#### Staff Profile

Classification	2014		2015			
	FTE's 2014	FTE	Males%	Females%	Males	Females
L9 & above	5	5	40	60	2	3
Level 8	12.8	11.8	8	92	1	10.8
Level 7	11.1	12.4	56	44	7	5.4
Level 6	20.5	17.9	27	73	4.8	13.1
Level 5	19.7	17.5	29	71	5	12.5
Level 4	10	11	18	82	2	9
Level 3	12.6	12.4	8	92	1	11.4
Level 2	1.8	1.8	0	100	0	1.8
Level 1	0	0	0	0	0	0
Overseas	5	5	80	20	4	1
<b>Total</b>	<b>98.5</b>	<b>94.8</b>	<b>28</b>	<b>72</b>	<b>26.8</b>	<b>68</b>

*Note: As at 30 June 2015. Excludes casual employees, individuals seconded out or on unpaid leave.*

#### Staff Development

Human Resources has continued a program of activity during the year to support the development of Tourism WA's workplace and workforce.

In 2014-15, Tourism WA:

- Tourism WA's *Workforce and Diversity Plan 2014-2017* was actioned. This 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.
- Tourism WA's Development and Training Framework was rolled out across the agency, providing information to employees to assist with individual professional development and training, as identified by line manager and employee.
- Tourism WA's *Occupational Health and Safety Management Plan 2014-2017* was actioned with initiatives to further enhance the occupational health and safety of the workplace.
- The Accountable and Ethical Decision-Making Training Program continued to be delivered to all employees. This training is provided to all new employees, and current employees every two years, supporting an ongoing commitment to provide them with relevant information about accountability requirements to equip them in dealing with situations or issues they may encounter in their roles.
- A leadership behaviours workshop was conducted with senior employees. The workshop assisted the senior team to identify leadership behaviours critical to Tourism WA and these have been incorporated into individual performance planning.

#### WORKERS' COMPENSATION

Tourism WA continues a practical claims management approach by focusing on injury management and rehabilitation. As at 30 June 2015, there were zero workers' compensation claims lodged during the 2014-2015 period.

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

## 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 (\$) (excluding GST)
Peter Prendiville	Chairman	Cottesloe Beach Hotel	1,527.29
		Quokka Arms Hotel	5,935.38
		Mangrove Resort Hotel	395.68
		Sandalford Wines Pty Ltd	772.50
Howard Cearns	Deputy Chairman	Alex Hotel Northbridge	2,279.12
Howard Cearns	Deputy Chairman	Swings and Roundabouts Ltd	1,816.81
Diane Smith-Gander	Commissioner		
Neville Poelina	Commissioner	Uptuyu Aboriginal Adventures	3,927.27
		WAITOC Association Incorporated	465,168.18
Nathan Harding	Commissioner	Australian Tourism Export Council	63,719.75
		Discover West Holidays	215,000.00

### BOARD REMUNERATION TABLE

Remuneration of the Board of Commissioners of the Western Australian Tourism Commission in 2014-15 was as follows:

Position	Name	Period of membership	Remuneration (\$)
Chairman	Peter Prendiville	1 July 2014 to 30 June 2015	66,573
Deputy Chairman	Howard Cearns	1 July 2014 to 30 June 2015	42,135
Commissioner	Valerie Davies	1 July 2014 to 30 June 2015	37,943
Commissioner	Al Donald	1 July 2014 to 30 June 2015	36,815
Commissioner	Nathan Harding	1 July 2014 to 30 June 2015	36,815
Commissioner	Nicole Lockwood	1 January to 30 June 2015	18,195
Commissioner	Neville Poelina	1 July 2014 to 30 June 2015	37,333
Commissioner	Diane Smith-Gander	1 July 2014 to 30 June 2015	36,815
Commissioner	Richard Vaughan	1 July 2014 to 30 June 2015	36,815
<b>Total</b>			<b>349,439</b>

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



Saltbush-edible native plant,  
Margaret River Wine Region  
© Koomal Dreaming

## 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.

	2014-15 \$'000
(a) Advertising agencies	2,768
(b) Market research organisations	1,854
(c) Polling organisations	-
(d) Direct mail organisations	-
(e) Media advertising organisations	6,085
	10,707

	2014-15 \$'000		2014-15 \$'000
(a) Advertising agencies		(e) Media advertising organisations	
Cummins & Partners	2,595	Adcorp Australia Limited	8
Digital Dialogue Media Pty Ltd	-	Adstream Australia Pty Ltd	1
Host Consult Pty Ltd	148	Akamai Technologies Netherlands B.V.	131
Micromedia Advertising-Design	25	Bauer Media Pty Limited	110
	2,768	Big Head Digital	75
(b) Market research organisations		Bishop Media	-
AEC Group Limited	-	Carat Australia Media Services Pty Ltd	400
Buzz Marketing	-	Cirrus Media Pty Ltd	-
Hitwise Pty Ltd	53	Commoner Media Pty Ltd	78
ICS Multimedia	9	Deal Group Media Pty Limited	251
Investment Property Databank Pty Limited	-	Digital Balance Pty Ltd	132
Ipsos Australia Pty Ltd	4	Edge Custom Media	-
Isentia Pty Ltd	121	Flame Media Pty Ltd	-
KPP Business Development	-	Goolarri Media Enterprises Pty Ltd	69
Metrix Consulting Pty Ltd	937	Guangzhou TVTour Media Co Ltd	13
Orima Research Pty Ltd	-	Hatchd Digital	2
Real Capital Analytics Inc.	6	Identity Creative	89
Repucom Pty Ltd	-	MC2 Media Pty Ltd	33
Roy Morgan Research Pty Ltd	105	Media Equation Pty Ltd	7
STR Global Ltd	-	Mitchell and Partners Australia Pty Ltd	-
Taylor Nelson Sofres Australia Pty Ltd	4	Offshoot Creative	17
TRC Tourism Pty Ltd	287	OMD Beijing DDB Needham Advertising	64
VCubed Pty Ltd	44	On Board Media	5
West Coast Field Services	30	Optimum Media Decisions (WA) Ltd	4,578
Zubini Marketing & Management Pty Ltd	72	Redwave Media Pty Ltd	18
	1,854	The Cut Creative	-
		Travmedia.Com Pty Ltd	4
			6,085

## 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 relation 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 the public sector standards in human resource management and approved public sector policies and procedures. The WA Code of Ethics and Tourism WA's Code of Conduct are communicated to employees on a regular basis and are the cornerstone of employee conduct.

Compliance area	Compliance issues	Significant action taken to monitor and ensure compliance
Public sector standards	0 breach claims	Compliance with and monitoring of the Employment Standard in particular, is supported by the use of experienced recruitment consultants for all long-term and permanent selection processes and all selection 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	The WA Code of Ethics is part of employees' induction materials, incorporated into accountable and ethical decision-making training and accessible on 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, incorporated into accountable and ethical decision-making training and accessible on 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. A new DAIP will be developed by Tourism WA in 2016.

The seven desired outcomes in the DAIP 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 2014-15, the following activities were progressed:

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

Tourism WA is proud of its world-class events and the appeal these events have to national and international visitors. The event holders of all events sponsored by Tourism WA are required to use their best endeavours to ensure that, in respect to the event, they facilitate the desired access and inclusion outcomes expressly or implicitly set out in the Disability Access and Inclusion Plan (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 people 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. 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 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.

## 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, along with providing a workplace conducive to job satisfaction and productive work.

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

Tourism WA implements its injury management system when any work-related injuries or illnesses occur. This system has been developed in accordance with the requirements of the *Workers' Compensation and Injury Management Act 1981* and 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 2012-13 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 Health and Safety Management Plan 2014-2017*. During the 2014-15 period, a further 30 per cent of the recommendations from the review were addressed and actions were implemented.

During 2014-15, Tourism WA actioned the *Occupational Health and Safety Management Plan 2014-2017*. Initiatives included self-assessment against the WorkSafe assessment tool, a review of the occupational health and safety policy and guidelines, investigating options to integrate injury management with a proposed online hazard management system and quarterly review of the OSH intranet page. A regular program of worksite and vehicle inspections also continued.

#### Performance indicators for 2014-15

Indicator	2012-13	2013-14	2014-15	
			Target	Actual
Number of fatalities	0	0	0	0
Lost-time injury and/or disease incidence rate	0	0	0	0
Lost-time injury and/or disease severity rate	0	0	0	0
Percentage of injured workers returned to work:			Greater than	
(i) within 13 weeks	N/A	N/A	80% for (i)	N/A
(ii) within 26 weeks	N/A	N/A	and (ii)	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	71%	82%	80%	84%

## Notes:

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### PUBLICATIONS

Tourism WA produces a wide range of publications available to download at [tourism.wa.gov.au](http://tourism.wa.gov.au)

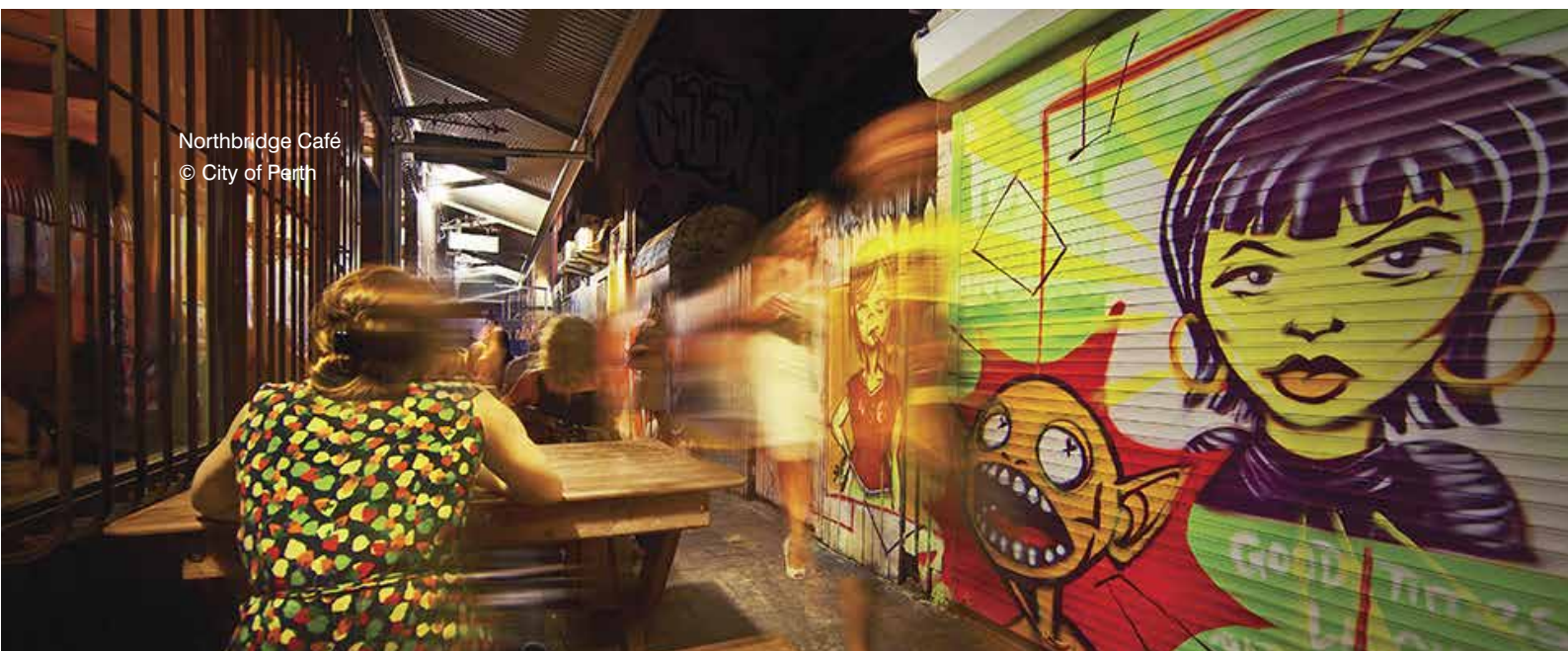
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*Front cover photo by Wendi Zang, Mi No 5. Sculpture by the sea, Cottesloe Beach.*

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