

A couple is seen from behind, sitting on a grassy hill. They are looking out over a city skyline at sunset. The city features several tall skyscrapers and a harbor with boats. The sky is a mix of blue and orange.

Tourism Western Australia
ANNUAL REPORT
2016-17

**WESTERN
AUSTRALIA**
EXPERIENCE EXTRAORDINARY

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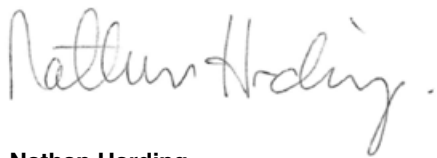
MESSAGE TO THE MINISTER

**To the Honourable Paul Papalia CSC MLA
Minister for Tourism**

Dear Minister

In accordance with Section 63 of the *Financial Management Act 2006*, it is my pleasure to submit for your information and presentation to Parliament the Annual Report of the Western Australian Tourism Commission (operating as Tourism Western Australia) for the year ended June 30, 2017.

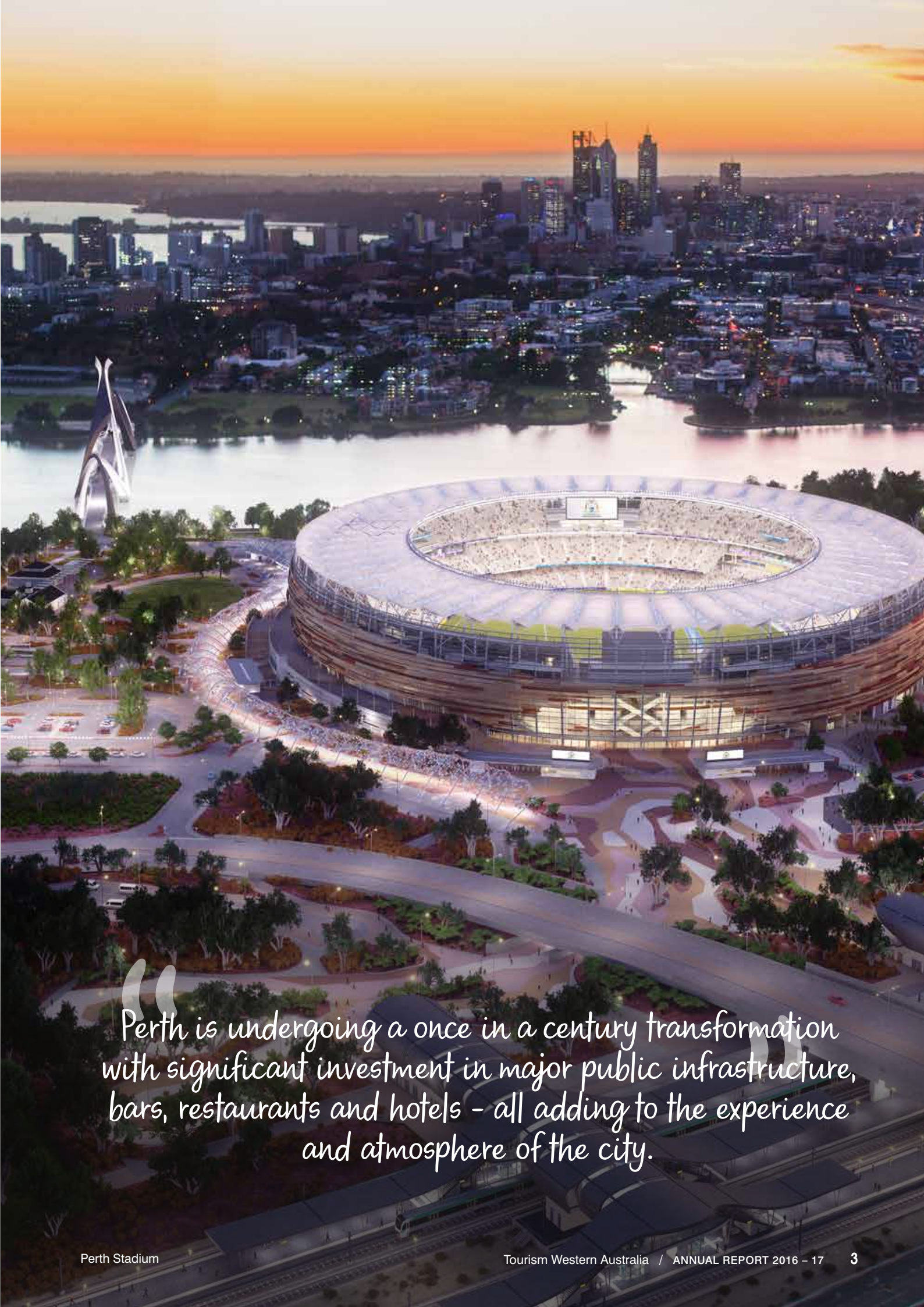
The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Nathan Harding
CHAIRMAN
WESTERN AUSTRALIAN TOURISM COMMISSION

September 1, 2017





“Perth is undergoing a once in a century transformation with significant investment in major public infrastructure, bars, restaurants and hotels - all adding to the experience and atmosphere of the city.”

visitors
29.8 MILLION (M)
10.4M overnight 19.35M daytrips
\$10.14 BILLION
visitor SPEND in WA

Tourism Research Australia's International and National Visitor Surveys, Year Ending March 2017



1.0 OVERVIEW

1.1 EXECUTIVE SUMMARY

Message from the Chairman

As the new Chairman of Tourism Western Australia, I am pleased to present the agency's annual report for the 2016-17 financial year.

Western Australia's (WA) tourism industry continues to grow, contributing \$10.1 billion in visitor spend to the economy in the 12 months to March 2017, and generating more than 109,000 jobs. In fact every \$225,000 in overnight visitor spend, or 179 overnight visitors to WA, creates one job in the tourism industry, so every visitor and every dollar spent counts.*

Now that many of Perth's infrastructure projects and hotels are near completion, the State Government, through Tourism WA, has been focused on driving visitation through destination marketing and creating a vibrant events calendar for Perth. In addition, the economic slowdown has seen fewer people travel for business, working holidays and other employment reasons, presenting greater opportunities for growth in leisure tourism.

This annual report focuses on Tourism WA's work over the past 12 months to help grow the number of leisure visitors. Significant achievements include the new campaign under the Experience Extraordinary brand – Just Another Day in WA, which marks a fundamental shift in the way Tourism WA promotes the State as a leisure destination. Tourism WA also secured key events for the Perth Stadium including Chelsea Football Club, the Bledisloe Cup and game two of the NRL State of Origin Series in 2019. These events combined are expected to attract 45,000 visitors from interstate and overseas, who will spend an estimated \$45 million. We have seen tremendous work undertaken to secure non-stop Perth-London flights, operated by Qantas' new Boeing 787-9 Dreamliner, which will be transformational for tourism in this State. Tourism WA and Qantas have entered into a \$5.7 million cooperative marketing agreement to promote the service and highlight Perth as the perfect stopover destination for international visitors and connecting domestic customers.

109,000 jobs CREATED
more than **26,000**
TOURISM businesses**

* Source ACIL Allen

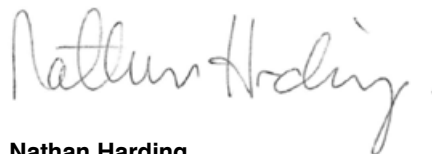
** Tourism Research Australia, State of the Industry 2016 (released Feb 2017)

I would like to sincerely thank staff for their hard work and contribution to the tourism industry, and acknowledge the former Tourism WA Chief Executive Officer (CEO) Gwyn Dolphin who led the agency for 12 months and, prior to that, headed up the Events division for four years. I thank him for his contribution, and welcome the new CEO Stephen Wood.

I would like to also thank retiring Chairman Peter Prendiville for his leadership over five years and acknowledge Tourism WA's outgoing Deputy Chairman Howard Cearns, and fellow retiring Board members Al Donald and Neville Poelina, for their dedication and hard work over the past few years. In addition, I want to thank my fellow Board Members and welcome our four new members Manny Papadoulis, Kevin Brown, Karen Priest and Linda Wayman to the team.

2016-17 also saw the appointment of a new State Government, with a new Tourism Minister, Paul Papalia. The Government has created funding certainty and security for Tourism WA with an investment of \$425 million over five years for destination marketing and event tourism. This will allow Tourism WA to plan for the long term. It comes at an important time with all the infrastructure changes such as Elizabeth Quay, the redevelopment of Perth Airport, the new 60,000-seat Perth Stadium and a range of new hotel rooms coming to fruition in the next few years.

I look forward to leading the Tourism WA Board, which will continue to be focused on outcomes and driving visitation to WA, and look forward to working with industry to grow tourism in the State.



Nathan Harding
CHAIRMAN

September 1, 2017



"I've
HEARD of
getting **CLOSE**
to **NATURE**
but **THIS**

was..."
just **ANOTHER**
DAY in **WA**

Message from the Chief Executive Officer

Tourism WA has undergone some changes over the past year, one of which was my appointment as the Acting CEO on July 1, 2017. Tourism WA maintains its identity and purpose but is now part of a larger agency – the new Department of Jobs, Tourism, Science and Innovation.

What hasn't changed is our goal to increase the value of tourism to \$12 billion by 2020 and the agency's three core functions of marketing the state and increasing visitation – Destination Marketing, Events Tourism and Destination Development.

One of the most significant announcements of the year was Qantas naming Perth as the city for the first ever non-stop flights between Australia and Europe. The Perth to London route will begin operating in March 2018. Tourism WA entered in to a \$5.7 million marketing deal with Qantas, which will promote WA in London and Europe and highlight Perth and WA as a desirable stopover destination for international visitors and connecting domestic visitors.

In May, construction began on an upgrade of Perth Airport's Terminal 3. The State Government agreed to contribute \$14 million towards the Commonwealth border services required to integrate international and domestic services at the terminal. This will provide seamless connectivity between domestic and international operations – a critical component to securing the Qantas London-Perth flights.

Advertising of the Qantas London-Perth route has used Tourism WA's Just Another Day in WA campaign, focusing on the 'new Perth', encouraging people to see how the city has changed and to explore the State further. This initiative provides an exciting opportunity for Western Australia, with a potential visitor spend of up to \$36 million a year.

Over the past year, the Just Another Day in WA campaign has delivered positive results. The campaign has showcased different parts of WA through TV advertisements in Perth, Sydney and Melbourne, as well as in national digital media. More than 121,000 Australian visitors have booked trips to/ within WA through cooperative campaigns linked to Just Another Day in WA, resulting in an economic impact of \$78 million to the State.

Encouragingly, brand tracking has shown a direct correlation between visitation and the campaign. Between June and May, three in every four holiday makers from the interstate target market stated the campaign had an impact on their decision to book.

121,000 interstate VISITORS
\$300 MILLION
economic IMPACT to WA



Perth Stadium

The campaign also successfully launched into key international markets including the United Kingdom (UK), United States of America (USA), New Zealand, Singapore, Malaysia, Indonesia and China. I'm pleased to report that the campaign recently won gold at the 2017 Pacific Asia Travel Association (PATA) awards, taking out top honours in the Marketing - Secondary Government Destination SG category.

Another award-winning achievement in 2016-17 was the Camping with Custodians project, which won two awards at the Planning Institute Australia's 2017 National Awards for Planning Excellence in May. The awards recognised outstanding planning and planners who made valuable contributions to the future of communities across Australia.

Camping with Custodians provides an opportunity for visitors to stay on Aboriginal lands and to engage with locals. In turn, Aboriginal communities benefit through enterprise and employment opportunities. Imintji, located in the Kimberley, was the first fully serviced commercial campground, built and operated by a remote Aboriginal community under the Camping with Custodians model. I'm excited to see the results of this and other Camping with Custodians developments over the coming years.

Work is continuing on Perth Stadium, which will be a vital asset for the State in the future, providing opportunity for national and international sport, arts and music right holders to hold events in Perth. An important source of visitors to the stadium will be through the Australian Football League (AFL) tourism. From next season, thousands of general admission seats will be available at both West Coast Eagles and Fremantle Dockers home games, allowing Tourism WA to promote AFL matches at Perth Stadium to interstate travellers. Tourism WA has been working with travel groups such as AFL partner Virgin and VenuesLive to develop promotions that include return airfares, accommodation and tickets to a game with a choice of options for add-ons such as tours and trips to other regions of WA.

It is a very exciting time to be part of the tourism industry and I'm looking forward to working with Tourism WA to achieve its goal of increasing the value of tourism to \$12 billion by 2020.

Steve Wood
CHIEF EXECUTIVE OFFICER

September 1, 2017

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 2016-17 were the Hon Colin Barnett MLA from July 1, 2016 to March 16, 2017 and then the Hon Paul Papalia CSC MLA until June 30, 2017.

Our Vision

The overall vision statement for both Tourism WA and for the West 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 2016-17



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*.

the STATE'S *tourism* INDUSTRY will **ACHIEVE** its **FULL POTENTIAL**

*... the State's tourism industry will achieve its full potential by delivering against the tourism brand promise
- Experience Extraordinary Western Australia.*



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. During 2016-17, the Board was made up of the following members.

Peter Prendiville – Chairman

Chairman Peter Prendiville has been the owner and/or operator of more than 40 hotels in a career spanning more than 35 years. He is currently the Chairman of his family-owned and operated properties, with a portfolio that includes the multi-award winning Sandalford Wines in the Swan Valley and Margaret River. Sandalford has won many State Tourism Awards including Best Tourism Winery, Best Significant Tourist Attraction and Significant Festivals and Events, as well as the Sir David Brand Award. Hotels in the portfolio include the Tradewinds Hotel, Pier 21 Resort and the Norfolk Hotel in Fremantle, Karratha International Hotel and Mangrove Hotel in the North West, along with the iconic Cottesloe Beach Hotel and Hotel Rottneest. In 2015, Mr Prendiville was the winner of the Western Australian of the Year Business Award. He is the Chancellor at the University of Notre Dame of Australia as well as a trustee and director. He has been involved with the university since its inception in 1989. Mr Prendiville is also a board member of the St John of God Health Care and Chairman of its finance and investment committee. Mr Prendiville's term began on September 1, 2011 and he became Chairman on July 1, 2012. He resigned his position on June 30, 2017.

Howard Cearns – Deputy Chairman

Howard Cearns 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 2015. Other involvements include the development of the State Buildings Project, brainCELLS Creative Marketing and Boatrocker Brewery in Melbourne. Mr Cearns 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 Cearns' term began July 1, 2006 and he became Deputy Chairman on July 1, 2012. He resigned his position on June 30, 2017.

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 Event Hospitality and Entertainment Limited (one of Australia's premier entertainment technology, hospitality, tourism and leisure companies), HBF Health Ltd and Cedar Woods Properties Limited. 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 on July 1, 2013.

Alistair (Al) Donald

Al Donald is an experienced corporate lawyer specialising in negotiated acquisitions and governance matters. 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. Mr Donald's term began on February 1, 2009 and ended on June 30, 2017.

Elizabeth Gaines

Elizabeth Gaines is the Chief Financial Officer and an Executive Director of Fortescue Metals Group Ltd. Ms Gaines is the former Chief Executive Officer of Helloworld Limited. Prior to this, Ms Gaines was Chief Operating Officer and Chief Financial Officer of Helloworld Limited, Chief Financial Officer of the Stella Group, Chief Finance and Operations Director of UK-based Entertainment Rights Plc and Chief Executive Officer of Heytesbury Pty Limited. Ms Gaines has significant prior experience in the banking sector and in recent years she has undertaken extensive work in travel distribution across retail, online, wholesale and corporate channels. Ms Gaines is experienced in digital businesses and the impact of the growth in Asian economies on the Australian business environment. In addition to serving on the Fortescue Board, she has previously served as a Non-Executive director of Mantra Group Limited, Nine Entertainment Co. Holdings Limited, NextDC Limited, Impedimed Limited, Heytesbury Pty Ltd and John Holland Pty Ltd. Ms Gaines is regarded as a financial and governance expert, is a member of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and Chief Executive Women. Ms Gaines holds a Bachelor of Commerce degree and Master of Applied Finance degree. Ms Gaines' term commenced November 1, 2015 and she sits on both the Events and Strategic Marketing committees.

Nathan Harding

Nathan Harding is Group Managing Director of Discover Australia Holidays. As one of Australia's largest inbound travel wholesalers, Discover Australia generates more than 150,000 visitors a year for Australia. Mr Harding has combined his technology, marketing and business skills to drive his family-owned company's success. Discover Australia is a leader in digital marketing and distribution, developing its advanced travel technology in-house and incorporates the Discover West Holidays and HolidayMax brands. Mr Harding has served as a Director on the Australian Tourism Export Council's national board and is its immediate past national Deputy Chairman. Mr Harding has held Global Product Marketing roles at international hi-tech companies, including a major UK semiconductor manufacturer. He has an Honours degree in Electronic Engineering from University College, Cardiff and post-graduate qualifications in Marketing along with postgraduate studies in Applied Finance and Investment. Mr Harding's term commenced July 1, 2012. He is the current Chairman of Tourism WA.

Tracey Horton

Tracey Horton is the Chairman for Navitas Limited and Non-Executive Director of the Australian Institute of Company Directors National Board, Immediate Past President and Board Member of the Chamber of Commerce and Industry (WA), a Member of the Australian Government Takeovers Panel, ASIC's Director Advisory Panel and the Council of International Education and the Chair of Council of Presbyterian Ladies' College. Ms Horton's previous executive roles include the Reserve Bank of Australia and Bain & Company, with her most recent executive role as Dean of the University of Western Australia's Business School, where she was awarded the lifetime title of Emeritus Professor. Ms Horton's past directorships include publicly listed companies – SKILLED Group and Automotive Holdings Group; not-for-profit organisations – Australian Chamber of Commerce and Industry, Fashion Council WA and Edge Employment Solutions; State and Federal Government organisations – Australian Treasury Advisory Council (Canberra), Western Australian Museum and WA Museum Foundation, and Water Corporation; and private companies – Cullen Wines and D'Orsogna Ltd. Ms Horton was recognised for distinguished service to business and business education and appointed an Officer of the Order of Australia in 2017. Ms Horton's term commenced November 1, 2015. She sits on both the Audit and Risk and Events committees.

Nicole Lockwood

Nicole Lockwood is the owner and principal of Lockwood Advisory, which focuses on government, regional development, infrastructure and stakeholder engagement. Ms Lockwood has a career spanning a range of fields including local government, regional economic development, law, events and corporate governance. Ms Lockwood is Chair of the Freight and Logistics Council, Chair of MNG surveying and board member of the Internet of Things Alliance. Until starting her own practice, she was a Director at KPMG, in the areas of public sector and

infrastructure, and serves on the boards of Leadership Western Australia, Water Corporation 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 on January 1, 2015. She is Chair of Tourism WA's Destination Development Committee and 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 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 Western Australia's tourism industry 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 the world's oldest continuous culture and come away with a deeper knowledge and connection to it. Mr Poelina's term began January 1, 2011 and ended on June 30, 2017.

Ian Thubron

Ian Thubron is Founder and Chairman of AsiaStrategies, an advisory firm for brands and companies entering the Asia Pacific region. Ian is also Executive Director of Titan Digital, NED of Good Samaritan Industries, a member of the Global Advisory Board of inPACT and a Graduate of the Australian Institute of Company Directors. After graduating from Cambridge University in 1987, Mr Thubron began his career with J.P. Morgan in New York as a Corporate Finance Executive. He returned to London and embarked on a 25-year career in the advertising industry with some of the world's largest agencies. In London, Mr Thubron joined Saatchi & Saatchi, moving to Hong Kong in 1991. Since that time he worked in a variety of management and operating roles for Euro RSCG, M&C Saatchi, Ogilvy & Mather; and from 2004 until 2015 as Executive Vice President of TBWA\Asia Pacific and President of TBWA\Greater China. Under Mr Thubron's leadership, TBWA grew dramatically across the region, expanding its services from core advertising to include digital marketing, shopper and retail marketing, PR and social media, events and brand experience. In early 2015, Mr Thubron relocated from Hong Kong to Perth and founded AsiaStrategies. Mr Thubron's term commenced November 1, 2015. He sits on both the Events and Strategic Marketing committees.



Bunbury, the South West

Tourism WA Board Meetings and Attendance

Of the seven Board meetings conducted this financial year (all Board members were eligible to attend seven meetings), attendance was as follows:

	Meetings attended	Meetings eligible to attend
Peter Prendiville	7	7
Howard Cearns	6	7
Valerie Davies	6	7
Alistair Donald	6	7
Elizabeth Gaines	6	7
Nathan Harding	7	7
Tracey Horton	7	7
Nicole Lockwood	6	7
Neville Poelina	6	7
Ian Thubron	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 committees:

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

Executive Management Team

As at June 30, 2017 the Chief Executive Officer, four Executive Directors, Chief Financial Officer, Director Corporate Communications and Executive Services Manager made up the Executive Management Team.



Rockingham, Perth

Gwyn Dolphin **Chief Executive Officer**

Gwyn Dolphin joined Tourism WA in February 2012 as the Executive Director Events. He has an impressive background in corporate leadership, marketing and events, with previous experience including roles as Managing Partner in the UK-based WPP Group, the world's largest advertising and marketing services organisation. Here he led Ford's multinational, £100 million sponsorship of the UEFA Champions League and James Bond film franchise, having earlier run Vodafone's global, brand-building sponsorship investments in Formula One (with Ferrari and Michael Schumacher) and football (Manchester United and David Beckham).

He also served as Group Marketing Director for the famous Millennium Stadium and Welsh Rugby Union. In this position, Gwyn was responsible for all commercial, marketing and revenue-generation activities, as well as global events such as international soccer, Rugby World Cup and major music concerts. Prior to that, as a senior executive at Toyota, he was responsible for the commercial program underpinning the organisation's World Rally Championship-winning operation.

Gwyn represented Western Australia on the Hopman Cup board, and took over as Tourism WA's Acting Chief Executive Officer in mid-2016, before being appointed permanently. As a result of the whole-of-government structural changes Gwyn left Tourism WA on June 30, 2017.

Derryn Belford **Executive Director Destination Development**

Derryn joined Tourism WA in 2008 from a 20-year career as a research and strategy consultant across a wide range of industries. She has held several roles since joining the agency, including Director Strategy and Policy where she led the development of the State Government Strategy for Tourism 2020.

Derryn has been Executive Director Destination Development since September 2013, focusing on supply side issues in WA tourism, working across government and industry to support the development of tourism destinations. Derryn has a Bachelor of Science degree from the University of Western Australia, and a Master of Business Administration. She is a graduate of the Australian Institute of Company Directors, and is a board member of All Saints' College and the National Trust Council of WA.

Saskia Doherty **A/Executive Director Events**

Saskia Doherty joined Tourism WA in November 2009. She has a background in marketing and events with previous experience in marketing consultancy roles and the events industry. Saskia has worked on significant projects including the Perth International (Golf), Margaret River Gourmet Escape, the 2011 ISAF Sailing World Championships, Hopman Cup, CHOGM and international sporting fixtures including cricket, rugby league, rugby union and soccer.

David Lowe **Executive Director Corporate and Business Services**

David Lowe has worked in the Western Australian Public Sector for more than 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.



Dampier Peninsula, The Kimberley

Louise Scott

Executive Director Strategy, Brand and Marketing Services and A/Executive Director Markets and Partnerships

Louise Scott joined Tourism WA in January 2016 and has extensive experience in leading destination marketing in Australia and overseas. Louise has held a number of senior roles in both the public and private sector and has more than 20 years' experience across tourism, economic development, destination marketing and events management.

Louise holds an Honours degree in Hospitality Management from the Robert Gordon University and an MBA from the University of Western Australia. She is also a recent graduate and member of the Australian Institute of Company Directors.

Louise is a Chartered Practicing Marketeer and a Fellow of the Chartered Institute of Marketing and of the Australian Marketing Institute. She is also a board member of Artrinsic Inc. and West Australian Music.

Louise Rowe

Director Corporate Communications

Louise Rowe joined Tourism WA in April 2015. 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 and has an Advanced Diploma of Business Management.

Renato Sansalone

Chief Financial Officer

Renato Sansalone joined Tourism WA in March 2012 and has more than 20 years' experience working in finance related

positions within the WA Public Sector. Previous agencies include the Department of Culture and the Arts where he held Chief Financial Officer 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.

Carroll Selwood

Executive Services Manager

Carroll Selwood began her career working for a West Australian tour operator and has more than 25 years' experience in the tourism industry, including 22 years with Tourism WA.

For the past 16 years, she has operated in managerial roles and delivered several important projects including Tourism WA's transition out of the Office of Shared Services as part of its decommissioning process.

Carroll has also worked for Westpac and the Department of Finance.

Changes to the Executive Management Team

The following changes were made to Tourism WA's Executive Management Team during 2016-17.

- **Gwyn Dolphin** was acting Executive Director Markets and Partnerships until July 2016 when he took over as Acting CEO before being appointed to the CEO role in December 2016. As a result of the whole of government structural changes Mr Dolphin's appointment ended on June 30, 2017.
- **Louise Scott** was appointed Acting Executive Director Markets and Partnerships in July 2016 and continues to hold the Executive Director Strategy, Brand and Marketing Services position.



Rottneet Island, Perth

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:

Financial and economic responsibility	Desired outcome	Services
<ul style="list-style-type: none"> Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector. 	<ul style="list-style-type: none"> Increased competitiveness and viability of the West Australian tourism industry. 	<ol style="list-style-type: none"> Destination marketing Event tourism Destination development

1.3.2 CHANGES TO OUTCOME-BASED MANAGEMENT FRAMEWORK

Tourism WA's outcome-based management framework did not change for 2016-17.

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, Rottneet Island Authority, the Office of Multicultural Interests, Regional Development Commissions and others to achieve cross government coordination of tourism initiatives.

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, Busselton Airport Redevelopment, Regulated Aviation Route Review and Tender and Swan Valley Planning Strategy.

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 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.



Elizabeth Quay, Perth

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. Tourism WA developed the strategy in partnership with the private sector and a range of government departments.

It is a whole-of-government and industry long-term strategy to build the resilience and competitiveness of Western Australia's tourism industry and grow its economic contribution to the State's economy.

In the year ending March 2017, people who travelled to and within WA contributed \$10.14 billion to the State's economy through visitor spend, and at a high level the industry is on track to achieve the \$12 billion goal by 2020.

However, conditions have changed since the strategy was developed, creating a shift in the type of visitor coming to WA, and the amount they spend. The shifting economic climate has seen a drop in people coming to WA for long-term opportunities, such as business visitation, working holiday makers and employment. These types of visitors usually create higher economic impact because they visit frequently or stay much longer. What we are seeing now is an increase in leisure visitors, which is good news as this is a visitor segment over which Tourism WA has influence through marketing and promotional activities.

Another key change in the past five years is the public and privately-funded infrastructure projects such as Elizabeth Quay and Perth Stadium, as well as the additional 3,300 new hotel rooms planned for the Perth region, which were not confirmed when the strategy was developed. The public and private investment in these pieces of important infrastructure will have a great impact on WA's tourism industry.

To encompass these changes to the landscape, the Tourism WA Board initiated a refresh of the tourism strategy in December 2015 to ensure Tourism WA, the industry and Government are focusing on the areas that will help us reach the 2020 goal.

The Board approved the refreshed strategy in November 2016, which focuses on driving extra demand through a greater emphasis on events and marketing. It also looks at attracting business events and incentive groups and international students.

Key changes in the past five years:

ELIZABETH *quay*
perth **STADIUM**
3,300 *new* **HOTEL ROOMS**

on track TO
GROW the **VALUE**
of **TOURISM** in WA
to **\$12 BILLION**
by 2020





Perth Stadium

2.0 AGENCY PERFORMANCE

2.1 REPORT ON OPERATIONS

Tourism WA is responsible for promoting Western Australia as an extraordinary holiday and event destination. This includes marketing the State; developing, attracting and promoting major sporting, arts, cultural and business events; and supporting major projects that will draw visitors to particular destinations. The agency has three service areas to help deliver this work – destination marketing, event tourism and destination development.

As well as the work the agency performs, Tourism WA provided \$11 million in 2016-17 to partner organisations to attract business events, conduct intrastate marketing, promote Aboriginal tourism and deliver the WA Visitor Centre. We also supported tourism product capability, competitiveness and sustainability through grants and services agreements worth \$5.4 million to visitor centres, councils, shires, other government agencies and the Tourism Council WA.

Tourism WA's marketing is critical for building awareness of Western Australia's diverse 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, public relations and major business event promotion in conjunction with the Perth Convention Bureau. All programs are measured using a variety of evaluation techniques in order to further target high-yield visitors, creating a positive and robust flow-on effect for the local tourism economy.

The Events division's main objective is to develop, sponsor and promote a diverse range of events that highlight Western Australia as a great place to live, work and visit. Helping to create greater awareness of WA as a holiday destination, events provide a time-specific reason for people to visit and, therefore, drive visitation. Events also provide valuable media exposure and brand awareness opportunities for WA, as well as energising the State through a diverse and exciting annual events calendar.

The Destination Development division focuses on supply side issues in WA tourism. It works across government and industry to determine the needs of destinations in terms of access, accommodation, attractions and amenities, and seeks to facilitate the filling of identified gaps through private and public investment. The team also focuses on ensuring the State's policies and regulations support tourism investment, and drives a number of cross-government initiatives including the Caravan and Camping Action Plan, the Food and Wine Tourism Strategy, the Aboriginal Tourism Development Program, with Western Australian Indigenous Tourism Operators Council, and the Federal Government's Demand Driver Infrastructure Program.

Building an exciting program of events for new Perth Stadium

The 60,000 seat Perth Stadium, set to open in early 2018, will be a real game changer for tourism in Western Australia.

It will open up more opportunities for the State to host high calibre, world-class national and international sporting, arts and music events, which will attract more visitors, help to fill the hotel rooms coming online in Perth in the next few years and provide fantastic exposure for WA, in particular Perth and its massive transformation.

Tourism WA has played a key role in already securing three major blockbuster events to activate the stadium. These include an international friendly between current Premier League champions Chelsea Football Club (Chelsea FC) and Perth Glory in 2018, a Bledisloe Cup match in 2019 and game two of the National Rugby League (NRL) State of Origin Series that same year. Together, these events are conservatively expected to attract 45,000 visitors and deliver \$45 million into the West Australian economy.

The Chelsea FC match will be the first international soccer club appearance at the stadium and an Australian exclusive. It is expected to attract 15,000 interstate and international visitors. Chelsea FC has been one of the most successful English Premier League clubs of the past 15 years, winning 13 major titles since



Western Australia to host its first Bledisloe Cup

2002. The deal, struck by Tourism WA in partnership with Perth Stadium operator, VenuesLive, includes other activities by the club in Perth including open training sessions and grassroots training clinics.

In addition, Perth Stadium will host the second game of the Rugby League State of Origin series in 2019, showcasing what is arguably Australia's biggest sporting rivalry - the New South Wales Blues and the Queensland Maroons. Thousands of fans are expected to make the trip to WA to be at the game and millions more will watch the live television broadcast. State of Origin matches are the most watched sporting events on Australian television, drawing an audience of 3.96 million viewers last year, out-rating popular events such as the AFL Grand Final and the Melbourne Cup.

Western Australia will also host its first ever Bledisloe Cup match between Australia's Qantas Wallabies and New Zealand's All Blacks. This will be the only time the All Blacks and the Wallabies will play on Australian soil in 2019, in the lead up to the Rugby World Cup. The Bledisloe Cup match has not been on the market since 2011 due to existing deals between the Australian Rugby Union, NSW Government and the Queensland Government, so it's a coup for WA to secure this event. The event is expected to attract thousands of people to Perth from the eastern states and overseas, and will be broadcast across Australia and internationally.

The new Perth Stadium will also create the potential for more interstate AFL fans to travel to Perth to watch their team play.

From next season, thousands of general admission seats will be available at each Eagles and Dockers home game. This general admission capability was not available at Domain Stadium and it allows Tourism WA to promote AFL matches at Perth Stadium to interstate travellers.

We have been working and planning with travel groups such as AFL partner Virgin Australia and VenuesLive. Packages to be offered will include return airfares, accommodation and tickets to the game with a choice of options for add-ons such as tours and trips to other regions of WA. However, it won't just be sale of travel packages, as we expect a lot of people to book their own airfares and tickets on the back of talk about how great the stadium is and the fact they will be able to get general admission now to many games, which isn't the case at Domain Stadium.

Mass participation events bring thousands of visitors to WA

In a bid to boost visitor numbers to the State, Tourism WA supported a number of mass participation events in 2016-17 which attracted nearly 18,000 visitors from outside of WA, generated 151,320 room nights and contributed more than \$34 million to the State's economy in visitor spend.

These events included the UCI Gran Fondo World Championships, Australian University Games, the World Masters Athletics Championships and the SunSmart Ironman WA.

One of Tourism WA's key roles is to develop, sponsor and market events that strengthen WA's brand, deliver visitors to the State, attract valuable national and international media coverage, add vibrancy and encourage community participation. Events are also important because they provide a time critical hook for travel.

Mass participation events supported by Tourism WA achieve these objectives, particularly in attracting thousands of competitors, supporters and officials to Western Australia. These visitors are likely to explore not only our transformed city of Perth, but also other areas of the State before and after the event, bringing in valuable tourism dollars. In addition, they have the potential of becoming unofficial ambassadors of the State by spreading the word about extraordinary WA to their family and friends.

The mass participation events supported by Tourism WA in 2016-17 generated significant benefits for Western Australia.

Results of mass participation events

18,000 visitors
151,320 room STAYS
\$34 MILLION to WA economy



Bells Gorge, The Kimberley

The UCI Gran Fondo World Championships, held in September 2016, delivered more than 2,200 visitors to WA and around \$4.1 million to the economy. The event involved around 1,500 amateur and professional cyclists from 39 countries, taking on a challenging cycling course from Elizabeth Quay to Kalamunda.

The 2016 Australian University Games featured 42 universities from across the nation, with participants competing in 34 sports at 40 venues across Perth. The games, held at the end of September 2016, attracted more than 5,000 people from outside of WA and generated \$6.4 million to the economy.

More than 6,000 competitors and supporters from 92 countries arrived in Perth for the 2016 World Masters Athletics Championships, which ran from October 26 to November 6. Athletes aged between 35 and 97 competed in 25 sports at venues across the city delivering a significant economic impact of more than \$15 million to the State, and generating 87,245 room nights.

The SunSmart Ironman Western Australia took place in December in Busselton, with the addition of the Ironman 70.3 Western Australia to the event schedule. The challenging event took competitors on a swim around the iconic Busselton Jetty, a ride through the Tuart Forest National Park and a run along the shores of Geographe Bay. Ironman provided a major tourism boost to the region, with more than 7,000 visitors to the South West (around 4,000 of these from outside of WA), contributing \$9.5 million to the local economy.

Just Another Day In WA campaign spreads around the world

Since its launch in June 2016, Tourism WA's biggest marketing campaign under the Experience Extraordinary brand – Just Another Day in WA – has made an impact in domestic and international markets.

The campaign, which highlights the things West Australians take for granted but visitors find memorable and extraordinary, employs a variety of campaign assets particularly suited for digital and social media use. It reaches a global audience through Tourism WA's cooperative advertising partners, including airlines, accommodation providers and tour operators.

As part of the campaign, Tourism WA has produced a number of films showcasing different parts of WA, which have been seen widely through TV advertisements in Perth, Sydney and Melbourne, as well as national digital media.

The campaign has also successfully launched into key international markets including the UK, USA, New Zealand, Malaysia, Singapore, Indonesia and China. Related co-operative marketing activity with China Southern Airlines and travel site QYER.com resulted in 1,347 bookings in less than three weeks. Based on the average spend by a Chinese visitor to WA of about \$5,000, that equates to around \$8 million in value.

A total of 13 films were produced and launched during 2016-17. At the beginning of 2017, six films were launched showcasing extraordinary experiences in the North-West and Coral Coast, including Emma Gorge, the Bungle Bungles, Staircase to the Moon, whale sharks and WA wildflowers. These films and associated assets appeared in domestic media in two bursts in February and March, which complemented planned cooperative activity and coincided with the key booking period for these destinations.

A further seven films were later produced and launched in May/June, focusing on experiences in and around the Perth region – including Caversham Wildlife Park and the Perth Hills, Fremantle, Rockingham's dolphins, Kings Park, Perth's beaches and Central Business District, and Elizabeth Quay – and one at Pink Hutt Lagoon on the Coral Coast.

Two of the six Perth region videos are for use in the domestic market, while the other four were created to appeal specifically to the Singaporean, Malaysian, Chinese, Indonesian and Japanese markets, and present a wider variety of experiences on offer. These four films also use the tag-line 'Just Another Day in Western Australia', instead of WA, to make the destination clearer to international markets. Social media has played a significant role in the launch and continued amplification of the Just Another Day in WA campaign message.

More than 121,000 Australian visitors have booked trips to/within WA through cooperative campaigns linked to Just Another Day in WA – resulting in an economic impact of \$78 million to the State.

To encourage local advocacy in and support for the campaign, Tourism WA worked in partnership with Seven West Media to promote the hashtag #justanotherdayinwa to ask West Australians to share their best experiences of travelling around the State.

The campaign's dedicated website justanotherdayinwa.com allows consumers to learn more about destinations through a range of short and long articles. The website has more than 120 individual pieces of content and is a continually growing resource, allowing potential visitors to gain an intimate understanding of the extraordinary experiences on offer throughout the State, as well as providing links to holiday deals.

新航超值套票伴您探索 西澳 精彩每一天

復活節及 8月暑假均適用

即時網上優惠畅玩西澳 珀斯，銀聯信用卡可享HK\$1,000折扣

西澳 珀斯 自由行 銀聯信用卡尊享 HK\$2,121起

西澳 珀斯 精選套票及自選觀光遊 (適用於透過電話或門市預訂)

<p>珀斯 (自選機票 + 酒店)</p> <p>2晚套票 HK\$2,899起</p>	<p>1天企鵝石林奇岩少遊</p> <p>2晚套票 HK\$1,300起</p>	<p>3天輕打湖仙遊</p> <p>3天套票 HK\$5,480起</p>
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訂票熱線: (852) 2670 8788 電郵: info@sia-holidays.com

Singapore Airlines and SIA Holidays cooperative campaign landing page

ein ganz NORMALER TAG in WEST AUSTRALIEN

300 SHOPS x 35 WARE SOURCES x 50% ERHALTBARE

REISEN FÜR WELTENTDECKER

FLUG NACH PERTH P.P.A.B. € 989*

www.statravel.de

German STA Travel cooperative campaign poster

golden OUTBACK self-drive from \$1015* pp double share

BOOK

WESTERN AUSTRALIA EXPERIENCE EXTRAORDINARY helloworld

swim with WHALE SHARKS from \$449* pp double share

BOOK

WESTERN AUSTRALIA EXPLORE THE EXTRAORDINARY helloworld T&C's apply

New Zealand Helloworld cooperative campaign digital banners



Lucky Bay, Esperance



Caversham Wildlife Park, Perth

Cooperative marketing success

Tourism WA has a strong focus on tactical cooperative marketing to convert consideration into bookings. We partner with more than 40 travel companies and airlines in international markets and 12 within Australia to run these campaigns.

In 2016-17, WA's tourism industry partners invested \$8.7 million into Tourism WA's cooperative marketing program, exceeding the \$6 million target. By encouraging the tourism industry to integrate into the State Government's destination marketing activities, Tourism WA achieves better leverage of government funding and better outcomes for the tourism industry.

The domestic component of the cooperative program saw Tourism WA invest \$1.2 million with industry contributions reaching \$1.6 million. This resulted in 30 product campaigns featuring a diverse range of West Australian tourism products. The program delivered an estimated return on investment of 65:1, generating approximately 121,000 domestic visitors and an economic impact of \$78 million.

One of the many examples of cooperative activity was a global marketing campaign by Tourism WA in partnership with STA Travel Management. The campaign ran from October 2016 to March 2017, encouraging 25 to 35-year-olds from the UK, Germany and USA to visit Western Australia. Almost 4,800 people visited WA as a result of the campaign which had a total economic impact of about \$9.5 million.

Focusing on Asian markets

Tourism WA's 2020 Strategy includes a focus on Asia to help the State increase the value of tourism in WA to \$12 billion.

One of Tourism WA's goals is to ensure WA is well positioned to meet the tourism needs of Chinese and other Asian visitors in order to gain an increased share of these growth markets. China and other Asian markets such as Singapore, Malaysia and Indonesia are dominant contributors to international visitation growth in WA.

In the year ending March 2017, there was strong growth in visitation to WA by Malaysia (33.5 per cent increase) and Singapore (17.3 per cent increase), with both exceeding the national growth rate.

During that year there was also significant growth in visitor spend from Singapore (26.9 per cent increase), Hong Kong (33.8 per cent increase) and Indonesia (24.1 per cent increase).

Some examples of ways the agency has been working towards increasing its share in these markets are outlined below.

China Fliggy campaign

In May, Tourism WA partnered with China Southern Airlines and Fliggy, Alibaba's online travel service, to promote Western Australia as an attractive holiday destination to Chinese travellers. A dedicated WA campaign website on Fliggy was developed featuring destination information, imagery, itineraries, WA product offerings and China Southern Airlines deals to encourage bookings and travel to WA. Fliggy's online travel platform boasts more than 200 million users.

STRONG growth
in **VISITATION** and
SPEND from **THE**
ASIAN market



PR campaign 'Shed the Light'

In May, Tourism WA hosted more than 150 key media and trade partners at three separate events in Singapore, Malaysia and Indonesia.

The 'Shed the Light' program showcased all five regions of Western Australia and prominent South West chef Tony Howell was one of the WA guest ambassadors. The focus of the events was to create an interactive experience that would bring media and trade on a journey through Western Australia's regions, and generate media and PR coverage. The events generated 175 online social media posts, 22 online articles and five print articles.

National Association of Travel Agents Singapore Fair

In February, Tourism WA, in conjunction WA Regional Tourism Organisations, exhibited at the National Association of Travel Agents Singapore (NATAS) travel fair. As part of the partnership, Tourism WA built an interactive stand that included experiences such as tastings of Swan Valley produce, gold detecting, an aquarium and a photo booth. WA was the only Australian State exhibiting at the fair.

For the duration of the show, Singapore Airlines promoted a \$470 return fare to Perth, while Tourism WA negotiated with Scoot to provide a year-round special fare offer of a 20 per cent discount on online standard Perth fares. Visitation to the event was 110,000 people over three days, which was a significant increase from last year's attendance of 58,000.

WA also featured in the Today newspaper and in a full page advert in the NATAS travel guide lift out. In addition, Tourism WA negotiated the rights to the cover page of the Travel Guide publication handed out to every consumer at the fair and at train stations.

Tourism WA worked with key Asian wholesalers to promote a range of packages at the event, which covered each of the regions participating.

Singapore Component of Expedia Global Campaign

Funded through the Royalties for Regions program, Tourism WA took part in a campaign with Expedia in Singapore. The campaign period ran from April 3 to 30, 2017 and featured Just Another Day in WA content on the Expedia.sg and Hotels.sg sites. The campaign resulted in a total of 2,772 bookings with an economic impact of \$6,536,600. A second campaign ran in June and resulted in a total of 1,676 passenger bookings with an economic impact of \$4,060,500.

Combined results of Singapore's Expedia campaigns

4,448 bookings
economic **IMPACT**
\$10.6m

Camping with Custodians takes off

Camping with Custodians is the result of a vision for the Imintji community in the Kimberley, held by Aboriginal elder and renowned Kimberley artist Jack Dale. He wanted to see Imintji become economically self-sufficient by embracing tourism. Part of Jack's dream was to build a visitor campground near the community which would allow tourists to explore local attractions such as Bell Gorge and Tunnel Creek, and camp the night near the community. The campground would also generate employment opportunities for the Imintji community, not just through maintenance of the site, but the development of guided tours and walks.

Jack's vision became a reality through Tourism WA's Camping with Custodians program. Camping with Custodians is an Australian-first initiative that builds campgrounds on Aboriginal lands which are open to the public and operated by the community.

Visitors get the chance to stay on Aboriginal lands, and to meet and mix with Aboriginal people, knowing that the fees they pay for their accommodation stay in the community. For communities taking part, Camping with Custodians creates income, employment, training opportunities, and the chance to showcase Aboriginal lifestyle and culture.

Tourism WA coordinates the land assembly and campground planning initiatives for the projects, including assessments of Native Title and heritage, studies of flora, fauna, hydrology and soils, and the planning and building approvals from local government. We also provide funding for infrastructure at the campgrounds.

The program started in the Kimberley in 2013 with an independent assessment. That assessment identified 12 prospective Camping with Custodians development sites across the region, including one at Imintji and another at Mimbi.

Imintji Campground was the pilot site, which was completed and started welcoming visitors in 2016, while the Jarlarloo Riwi Mimbi Campground opened for the 2017 dry season.

Tourism WA extended the program to the Pilbara with work starting on a campground at Peedamulla Station, 70km outside of Onslow, in May 2017. Once completed, this site will help to create a platform for Aboriginal tourism development in the region.

Land assembly work is underway at Violet Valley, 30km south of Warmun, and this will be the third Camping with Custodians development in the Kimberley.

In May 2017, the Imintji community and Tourism WA won a Planning Institute Australia national planning award for community engagement and consultation for the Camping with Custodians project at Imintji.



CAMPING WITH CUSTODIANS
creates
INCOME, EMPLOYMENT
and TRAINING OPPORTUNITIES



One of Qantas' eight new Boeing 787-9 Dreamliners will be called Quokka

London to Perth direct flights a golden opportunity for WA

From next year, Perth will become the western gateway from Europe to Australia and an airline hub, following the introduction of non-stop flights between London and Perth.

The agreement struck in December 2016 between Qantas and Perth Airport, with support from Tourism WA, will see the direct route start operating in March 2018. The flights have been described as a “game-changer” for WA’s tourism industry and have the potential to generate up to \$36 million in visitor spend a year.

The service, on Qantas’ Boeing 787-9 Dreamliner, will operate from a new integrated domestic and international passenger hub within the existing T3/T4 terminals at Perth Airport. The State Government, through Tourism WA, committed \$14 million towards the hub which will include a new immigration and customs area, outdoor space, and additional food and shopping options for visitors. A new International Transit Lounge will be accessible to eligible passengers, providing shower and refresh facilities. Plans for the redevelopment were unveiled in May 2017, with work starting soon after.

In preparation for the new service, Tourism WA entered into a \$5.7 million marketing agreement with Qantas in January 2017 to promote Perth as a stop-over point for Australian and international passengers, as well as encouraging travel into regional WA. The strategy focuses on building consumer and trade awareness of both the flights and the destination.

Consumer marketing activity under the agreement began with the fare launch on April 27. Tourism WA and Qantas engaged popular UK TV presenter and travel expert, Simon Reeve, to hold destination-focused broadcast interviews. The ‘sofa-style’ interviews for Facebook were also used on the Qantas and Tourism WA social media platforms. The broadcast element of this campaign reached an audience of 39 million across the UK (including the BBC Radio national and local network), with an estimated advertising value of \$677,770.87 (£382,561.67).

In June, Tourism WA and Qantas developed a campaign targeting London Underground (Tube) passengers. Signage with the message “Wake Up in Western Australia” was plastered across some of the city’s busiest stations. The campaign reached around 3.5 million passengers who use the Tube each day and included cross-track advertisements, publicity inside Tube carriages, escalator panels and ticket giveaways.

Further marketing activity targeting consumers came through a partnership with *The Daily Telegraph* newspaper group and Trailfinders, an Australian specialist travel agency, which saw WA and the new service promoted through a mixture of online and traditional activity. Traditional media activity, which started in June, included magazine advertorials, a newspaper cover wrap, front page promotions and full page ads. Online components included a content hub with articles, competitions and videos.

Domestically, Qantas and Tourism WA began promoting Perth and WA as a great stopover destination for people from the East Coast en route to the UK. This work started in June with Tourism WA and Qantas joining forces through a burst of Just Another Day in WA activity, which included TV and digital advertising in Sydney and Melbourne. The ads featured a call to action to book a holiday to Perth and beyond through Qantas.com.

Trade marketing activity in 2016-17 included two trade engagement events held in London and Manchester which were attended by more than 300 retail travel agents who were educated about the direct flights and what WA had to offer visitors. Tourism WA and Qantas have also begun working with TTG Media, one of the world’s biggest travel trade media groups, to raise awareness of WA and the non-stop flights through an extensive incentive program.

new QANTAS BOEING 787-9 dreamliner 'QUOKKA'



One of the eight new Qantas Boeing 787-9 Dreamliners will be called Quokka. In May, Qantas launched a campaign asking Australians to suggest names for its new fleet that reflected the true spirit of Australia. Tourism WA spearheaded a campaign for the name Quokka, an iconic and much-loved West Australian marsupial. More than 60,000 suggestions were put forward and 45,000 votes cast in selecting the names of the aircraft that will fly routes including the new direct London to Perth service.



City dining, Perth

Other highlights

The fifth annual **Margaret River Gourmet Escape** in November was headlined by internationally renowned television cook Nigella Lawson, who was joined by more than 40 high profile chefs and talent. The food and wine festival generated \$9.1 million in economic impact to the South West region of WA (up from \$7.8 million in 2015) and saw a record attendance of almost 19,000 people including international, interstate and intrastate visitors.

The **2017 Mastercard Hopman Cup** mixed doubles tennis tournament, held in January, attracted one of the world's greatest tennis players, Roger Federer. The 18-time Grand Slam champion represented Switzerland along with Belinda Bencic. The 2017 event attracted 103,167 fans to the Perth Arena, the second highest on record. It also generated a significant media value of around \$68.4 million in international and domestic markets (up from \$51.6 million in 2016).

The inaugural **ISPS HANDA World Super 6 Perth** golf event took place in February, featuring a world-first innovative format. The event was tri-sanctioned by the European Tour, Asian Tour and PGA Tour of Australasia, and featured a 156 player line-up. It generated a global broadcast value of more than \$20 million in Tourism WA's key tourism markets.

The **Drug Aware Margaret River Pro**, the second round of the World Surf League Championship Tour, was held in March. Economic impact analysis revealed that the event brought \$3,415,501 into the State (up from \$2,946,459 in 2016). A total of 885 people from outside the State travelled to WA for the event (up from 641 in 2016) generating a total of 10,500 visitor nights. And 6,269 people from outside the South West region attended the event (up from 5,376 in 2016) generating 28,167 visitor nights. Tourism WA and Surfing WA successfully negotiated a further two-year extension with the World Surf League, ensuring the Margaret River Pro remains on the World Surf League Championship Tour until at least 2019.

Tourism WA's **Regional Events Program**, supported by Royalties for Regions, assists a range of events across regional Western Australia. It also includes the \$850,000 Regional Events Scheme, which provided sponsorship for 62 events in 2016-17.

Aviation access

- A review of international flight seat capacity in December 2016 saw Perth attract 235 flights per week offering 60,955 seats, a 4 per cent increase compared to December 2015.
- Changes to domestic aviation capacity are predominantly a direct result of the change in mining and resource sector and a reduction of the State's fly-in, fly-out workforce. For this reason, Tourism WA no longer reports on domestic aviation access.

In 2016-17, the following was achieved-

- Qantas increased operations between Perth and Singapore over the seasonal Northern winter 2016-17 period from 10 flights per week to 13.
- Following an increase to four flights a week between China and Guangzhou in mid-2015, China Southern Airlines, announced plans to further increase its Guangzhou to Perth service to five flights per week from October 29, 2017, providing an additional 21,944 seats a year.
- Western Australia welcomed Perth's 21st international carrier when Batik Air launched its inaugural Australian service with twice daily flights between Denpasar and Perth in June 2017.
- Cathay Pacific announced plans to increase capacity in Northern winter 2017 through the introduction of A350-900 on seven of its 10 flights per week between Hong Kong and Perth.

The Economics and Industry Standing Committee of Parliament is currently undertaking a Parliamentary Inquiry into matters relating to airfare prices in regional Western Australia. Tourism WA provided a submission to the Committee. The Committee will provide a report and recommendations to Parliament in November 2017.

4% increase IN
INTERNATIONAL flight
SEAT CAPACITY to PERTH



MARGARET RIVER GOURMET ESCAPE

19,000 attendees
\$9.1 MILLION
economic impact
to SOUTH WEST



2017 MASTERCARD HOPMAN CUP

103,167 fans
\$68.4 MILLION
MEDIA value



ISPB HANDA WORLD SUPER 6 PERTH

156 players
\$20 MILLION
MEDIA value



DRUG AWARE MARGARET RIVER PRO

6,269 visitors
to SOUTH WEST
\$3.4 MILLION economic impact
to STATE



36 regional visitor CENTRES shared in \$1 MILLION of grants

Kodja Place Visitor and Interpretive Centre, Kojonup

Cruise shipping

- WA experienced steady growth in cruise sector in 2016-17. The industry recorded 143 cruise ship visit days, an 18 per cent increase from 121 visits in 2015-16.
- Fremantle Ports handled a record 60 cruise ship visits and 150,000 cruise passengers.

Regional Visitor Centre Sustainability Grant Program

- Thirty-six visitor centres across regional Western Australia received grants from the second round of the State Government's Regional Visitor Centre Sustainability Grants Program in 2016-17.
- The grants program, made possible by Tourism WA and Royalties for Regions, was established to help drive innovation and breathe new life into visitor centres.
- The successful applicants shared in \$1 million for projects ranging from upgraded technology, artwork, seating and signage, as examples.

Business events

- Tourism WA continued its partnership with the Perth Convention Bureau to bring business and incentive events to Western Australia in 2016-17.
- The Perth Convention Bureau secured 127 conferences and 134 corporate meeting and incentive events for the year.
- This represents 214,981 delegate days, generating an estimated direct delegate expenditure of \$120.1 million.

Events marketing

- Tourism WA invested \$1.8 million in its events marketing campaign in 2016-17, which included 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 at any one time and to drive attendance.
- More than 280,000 daytrips and close to 200,000 overnight trips, spending around \$130 million, were taken by West Australians as a result of the campaign.

127 conferences
134 corporate MEETINGS
\$120.1 MILLION spend



280,000 day TRIPS
200,000 overnight TRIPS
\$130 MILLION spend



Credit: Jarred Seng

143 cruise ship
VISITS in 2016-17





Kings Park and Botanic Garden, Perth

2.2 FINANCIAL TARGETS

Financial Targets	2016-17 Original Target \$'000	2016-17 Revised Target \$'000	2016-17 Actual \$'000	Variation \$'000
Total cost of services (approved expense limit) (see Statement of Comprehensive Income)	93,155	92,291	92,147	(144)
Net cost of services (see Statement of Comprehensive Income)	90,717	89,615	89,504	(111)
Total equity (see Statement of Financial Position)	14,033	16,647	16,787	140
Approved salary expense level	9,550	10,077	10,076	(1)
Agreed Working Cash Limit	4,610	4,589	5,647	1,058

Explanatory Notes to Variations against Revised Targets

Further explanations are contained in Note 35 'Explanatory statement' to the financial statements.

Total cost of services

The variance is considered immaterial and the target deemed to have been met.

Net cost of services

The variance is considered immaterial and the target deemed to have been met.

Total equity

The variance is considered immaterial and the target deemed to have been met.

Salary expense level

The agency met the salary expense level target.

Agreed working cash limit

The agreed working cash limit is the agreed limit at the commencement of 2016-17. The 2016-17 actual represents the cash balance at the beginning of 2016-17 adjusted for receivables and payables largely settled within the first month of the year. The variation is mainly due to operational underspends in 2015-16.



Kings Park Botanic Garden, Perth

2.3 KEY PERFORMANCE INDICATORS

2.3.1 KEY EFFECTIVENESS INDICATORS

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

	2016-17 Target	2016-17 Actual
KPI: 1 Total dollar amount spent by visitors in Western Australia	\$9.3 billion	\$10 billion
KPI: 2 Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	99%
KPI: 3 Value of cooperative marketing funds provided by the tourism industry	\$6 million	\$8.7 million
KPI: 4 Direct economic impact of major events sponsorship	\$55 million	\$56.8 million
KPI: 5 Direct media impact of major events sponsorship	\$125 million	\$156 million

2.3.2 KEY EFFICIENCY INDICATORS

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

	2016-17 Target	2016-17 Actual
KPI: 6 Destination Marketing administrative costs as a proportion of Total Cost of Services allocated to Destination Marketing	28%	23%
KPI: 7 Events Tourism administrative costs as a proportion of Total Cost of Services allocated to Events Tourism	16%	14%
KPI: 8 Tourism Investment and Infrastructure administrative costs as a proportion of Total Cost of Services allocated to Tourism Investment and Infrastructure	33%	34%

Detailed Key Performance Indicators information can be found on pages 82-86.



Urban Orchard, Perth Cultural Centre

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.

Tourism is an industry critical to Western Australia's economic future. In 2016, 30.7 million visitors spent \$10 billion in the State, including \$4.7 billion in regional WA. The industry generates 109,000 jobs, more jobs than traditional industries such as agriculture, forestry and fishing, manufacturing and mining. Every \$225,000 in overnight visitor spend, or 179 overnight visitors to WA, creates one job in the tourism industry.*

Tourism WA has been amalgamated into the portfolio of Jobs, Tourism, Science and Innovation under the Machinery of Government changes. This allows Tourism WA, as part of a broader economic agency to further grow the State's tourism industry, with closer ties to international education and overseas offices as well as infrastructure and project developments.

Funding certainty and security for the tourism industry has been achieved with an investment of \$425 million in destination marketing and event tourism over five years, and the consolidation of Tourism WA's multiple tied budget lines into three budget lines corresponding with the agency's three service areas: Destination Marketing, Event Tourism and Destination Development.

Qantas has announced Perth as its new Australian hub for non-stop flights to and from London, beginning in March 2018. This repositions Perth as Australia's western gateway for travellers from Europe. Economic analysis shows potential visitor expenditure from the new service would be up to \$36 million a year. Marketing activity will be focussed on encouraging stopovers in Perth and dispersal to regional areas. Qantas will consider additional, non-stop routes from Paris and Frankfurt on the success of the London route.

*Source: ACIL Allen

Other new international aviation links have been actively pursued, resulting in an increase in international aviation capacity of 38 per cent between 2009-10 and 2014-15. However, more routes into Perth are needed to increase visitation and Tourism WA is working with Perth Airport targeting several airlines to increase or secure new inbound services from key markets including China, Japan and South East Asia.

The development of the 60,000 seat Perth Stadium will allow Perth to attract blockbuster major sporting and entertainment events of a much larger scale than it is currently able to host, and capitalise on AFL tourism. Tourism WA has secured a Chelsea Football Club match for 2018 and, State of Origin and Bledisloe Cup matches for 2019. Together, these events are conservatively expected to attract 45,000 visitors and deliver \$45 million into the West Australian economy. From season 2018, there will be 10,000 non-AFL member seats available at both Eagles and Dockers home games, which gives Tourism WA the opportunity to promote not only the stadium, but the city of Perth and travel to regional areas.

Port infrastructure issues at Exmouth and Broome have resulted in Carnival Australia deciding not to home-port vessels in Fremantle in 2018, with an estimated economic impact of up to \$130 million. Tourism WA is working with relevant government departments to identify how best to resolve the port infrastructure issues and encourage resumption of home-porting in Fremantle.

The development of Perth Stadium

60,000 seats
will **ATTRACT**
BLOCKBUSTER sporting
and **ENTERTAINMENT**
events

An aerial photograph of Perth, Australia, showing the city skyline in the background across the Swan River. The foreground is dominated by a lush green park area with a large building and a marina. The text is overlaid on the water area.

PERTH *the* NEW
WESTERN *gateway*
FOR *travellers*
from EUROPE

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.1 INDEPENDENT AUDITORS REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN TOURISM COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Western Australian Tourism Commission which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Tourism Commission for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Board for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by the Western Australian Tourism Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Board's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Tourism Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2017.

The Board's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2017 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.



DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
| September 2017

4.2 FINANCIAL STATEMENTS

Certification of Financial Statements

For the year ended 30 June 2017

The accompanying financial statements of the Western Australian Tourism Commission (operating as Tourism WA) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2017 and the financial position as at 30 June 2017.

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.



Nathan Harding

CHAIRMAN

September 1, 2017



Tracey Horton

COMMISSIONER

September 1, 2017



Renato Sansalone

CHIEF FINANCIAL OFFICER

September 1, 2017



Boab Tree, Kings Park, Perth

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	11,832	11,591
Supplies and services	8	27,934	27,558
Depreciation and amortisation expense	9	512	748
Accommodation expenses	10	2,146	2,182
Grants and subsidies	11	5,678	5,165
Event operations expenses	12	22,483	19,319
Advertising and promotion expenses	13	21,518	18,209
Other expenses	14	44	381
Total cost of services		92,147	85,153
Income			
Revenue			
Commonwealth grants and contributions	16	1,444	962
Interest revenue		440	299
Other revenue	17	759	681
Total Revenue		2,643	1,942
Total income other than income from State Government		2,643	1,942
NET COST OF SERVICES		89,504	83,211
Income from State Government	18		
Service appropriation		67,642	63,583
Resources received free of charge		549	757
Royalties for Regions Fund		22,460	19,612
Total income from State Government		90,651	83,952
SURPLUS FOR THE PERIOD		1,147	741
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,147	741

See also note 41 '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 June 30 2017

	Note	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	31	5,913	6,408
Restricted cash and cash equivalents	19, 31	897	54
Receivables	20	2,171	2,048
Prepayments	21	4,796	4,067
Amounts receivable for services	22	475	475
Total Current Assets		14,252	13,052
Non-Current Assets			
Amounts receivable for services	22	6,520	6,303
Property, plant and equipment	24	297	450
Intangible assets	25	957	768
Other non-current assets	23	235	249
Total Non-Current Assets		8,009	7,770
TOTAL ASSETS		22,261	20,822
LIABILITIES			
Current Liabilities			
Payables	27	2,959	2,809
Provisions	28	2,058	2,244
Other current liabilities	29	2	165
Total Current Liabilities		5,019	5,218
Non-Current Liabilities			
Provisions	28	455	604
Total Non-Current Liabilities		455	604
TOTAL LIABILITIES		5,474	5,822
NET ASSETS		16,787	15,000
EQUITY			
Contributed equity	30	10,133	9,493
Accumulated surplus		6,654	5,507
TOTAL EQUITY		16,787	15,000

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 2017

	Note	CONTRIBUTED EQUITY \$'000	RESERVES \$'000	ACCUMULATED SURPLUS \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2015	30	9,093	-	4,766	13,859
Surplus		-	-	741	741
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	741	741
Transactions with owners in their capacity as owners:					
Capital appropriations		150	-	-	150
Other contributions by owners		250	-	-	250
Distributions to owners		-	-	-	-
Total		400	-	-	400
Balance at 30 June 2016		9,493	-	5,507	15,000
Balance at 1 July 2016		9,493	-	5,507	15,000
Surplus		-	-	1,147	1,147
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,147	1,147
Transactions with owners in their capacity as owners:					
Capital appropriations		150	-	-	150
Other contributions by owners		490	-	-	490
Distributions to owners		-	-	-	-
Total		640	-	-	640
Balance at 30 June 2017		10,133	-	6,654	16,787

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

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		66,950	62,891
Capital appropriation		640	400
Holding account drawdown		475	475
Royalties for Regions Fund		22,460	19,612
Net cash provided by State Government		90,525	83,378
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(11,970)	(12,034)
Supplies and services		(26,898)	(27,253)
Accommodation		(2,110)	(2,274)
Grants and subsidies		(5,681)	(5,188)
GST payments on purchases		(6,841)	(6,261)
Event operations payments		(23,676)	(20,174)
Advertising and promotion payments		(20,696)	(17,971)
Other payments		(695)	(157)
Receipts			
Commonwealth grants and contributions		1,386	1,020
Interest received		437	293
GST receipts on sales		48	61
GST receipts from taxation authority		6,603	6,021
Other receipts		572	713
Net cash used in operating activities	31	(89,521)	(83,204)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(656)	(856)
Receipts			
Proceeds from sale of non-current assets		-	-
Net cash used in investing activities		(656)	(856)
Net (increase/decrease) in cash and cash equivalents		348	(682)
Cash and cash equivalents at the beginning of the period		6,462	7,144
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	31	6,810	6,462

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 2017

NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS

General

The Western Australian Tourism Commission's (WATC) financial statements for the year ended 30 June 2017 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 2017.

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 reporting period.

(c) Reporting entity

The reporting entity comprises the Western Australian Tourism Commission referred to as Tourism WA. There are no related bodies. See note 38 '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.



Elizabeth Quay, Perth

(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.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

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

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

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

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

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

Campaign Production Costs

Internally developed campaign production costs associated with researching campaign concepts, including fees paid to advertising agencies, are expensed as incurred up to approval of the final concept. Costs incurred for development of the approved campaign concepts, including casting, travel and accommodation, 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.

(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.



Perth skyline

(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
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
 - Other non-current assets
- Financial Liabilities
 - 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 27 'Payables') represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period 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.



Fremantle, Perth

(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, New Zealand and Indonesia 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 reporting period.

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 reporting period.

Long Service Leave

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

NOTE 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard

The WATC has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the WATC.

AASB 1057	<i>Application of Australian Accounting Standards</i>	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2014-3	<i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i>	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.
AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i>	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.
AASB 2014-9	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>	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. As the WATC has no joint ventures and associates, the application of the Standard has no financial impact.
AASB 2015-1	<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 & 140]</i>	These amendments arise from the issuance of International Financial Reporting Standard <i>Annual Improvements to IFRSs 2012-2014 Cycle</i> in September 2014, and editorial corrections. The WATC has determined that the application of the Standard has no financial impact.
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>	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 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.
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>	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. There is no financial impact.
AASB 2015-10	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128</i>	This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is 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* or by an exemption from TI 1101. By virtue of a limited exemption, the WATC has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the WATC plans to apply the following Australian Accounting Standards from their application date (1 July following the operative date).

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 is currently 1 January 2018 after being amended 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.</p> <p>The WATC's income is principally derived from appropriations which will be measured under AASB 1058 <i>Income of Not-for-Profit Entities</i> and will be unaffected by this change.</p>	1 Jan 2019
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The impact of AASB 16 has not yet been quantified.</p>	1 Jan 2019
AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
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 & 1038 and Int 2, 5, 10, 12, 19 & 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 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 the Standard.</p>	1 Jan 2018
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 2018
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
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 & 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 mandatory effective date (application date) for the Standard has been deferred to 1 January 2018 by AASB 2015-10. The WATC determined that the Standard has no financial impact.</p>	1 Jan 2018

AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2019
	This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For not-for-profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The WATC has not yet determined the application or the potential impact of AASB 15.	
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The WATC has not yet determined the application or the potential impact.	
AASB 2016-4	<i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	1 Jan 2017
	This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i> . The WATC has not yet determined the application or the potential impact.	
AASB 2016-7	<i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 Jan 2017
	This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.	
AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
	This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	
AASB 2017-2	<i>Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</i>	1 Jan 2017
	This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.	

NOTE 6. EMPLOYEE BENEFITS EXPENSE

	2017 \$'000	2016 \$'000
Wages and salaries (a)	9,370	9,468
Voluntary separation payments	706	199
Superannuation – defined contribution plans (b)	916	936
Other staffing costs	840	988
	11,832	11,591

(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 14 'Other expenses'.

Employment on-costs liability is included at note 28 'Provisions'.

NOTE 7. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The WATC has determined that key management personnel include Ministers, board members and senior officers of the WATC. However, the WATC is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

Compensation of members of the accountable authority

Compensation Band (\$)	2017	2016
20,001 – 30,000	-	3
30,001 – 40,000	6	4
40,001 – 50,000	3	1
50,001 – 60,000	-	1
60,001 – 70,000	1	1
	\$'000	\$'000
Short term employee benefits	379	357
Post employment benefits	34	31
Total compensation of members of the accountable authority	413	388

Compensation of senior officers

Compensation Band (\$)	2017	2016
10,001 – 20,000	1	-
60,001 – 70,000	-	1
80,001 – 90,000	-	2
90,001 – 100,000	-	1
110,001 – 120,000	-	1
130,001 – 140,000	1	-
140,001 – 150,000	1	1
170,001 – 180,000	1	1
180,001 – 190,000	-	1
190,001 – 200,000	1	-
200,001 – 210,000	2	-
210,001 – 220,000	1	1
280,001 – 290,000	-	1
370,001 – 380,000	-	1
390,001 – 400,000	1	-
	\$'000	\$'000
Short term employee benefits	1,527	1,665
Post employment benefits	157	158
Total compensation of senior officers	1,684	1,823

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

NOTE 8. SUPPLIES AND SERVICES

	2017	2016
	\$'000	\$'000
Commissioner's fees and charges	358	324
Communications expenses	297	367
Computer expenses	1,664	1,408
Contracts for service	11,476	11,130
General administration expenses	2,071	2,515
Insurance	80	68
Marketing services	3,293	3,583
Operating lease, rental and hire costs	313	391
Printing and stationery	32	31
Professional services	5,778	5,280
Research	1,636	1,536
Travel	835	807
Vehicles	101	118
	27,934	27,558



Fremantle Markets

NOTE 9. DEPRECIATION AND AMORTISATION EXPENSE

	2017 \$'000	2016 \$'000
Depreciation		
Leasehold improvements	-	-
Furniture, fittings and equipment	101	121
Computer equipment	66	97
Total depreciation	167	218
Amortisation		
Software and website development	93	103
Development costs	4	-
Campaign production costs	248	427
Total amortisation	345	530
Total depreciation and amortisation	512	748

NOTE 10. ACCOMMODATION EXPENSES

	2017 \$'000	2016 \$'000
Cleaning	78	83
Lease rentals	1,611	1,654
Utilities	59	84
Repairs and maintenance	398	361
	2,146	2,182

NOTE 11. GRANTS AND SUBSIDIES

	2017 \$'000	2016 \$'000
Royalties for Regions		
Caravan and Camping grants	2,419	2,164
Regional Visitor Centre grants	1,093	1,124
Tourism Demand-Driver Infrastructure grants	1,444	962
Other grants and sponsorships	722	915
	5,678	5,165

NOTE 12. EVENTS OPERATIONS EXPENSE

	2017 \$'000	2016 \$'000
Event sponsorship by funding source:		
Consolidated Account	15,764	13,249
Royalties for Regions Fund – Regional Events Program	6,719	6,070
	22,483	19,319

NOTE 13. ADVERTISING AND PROMOTION EXPENSES

	2017	2016
	\$'000	\$'000
Promotions and co-operative campaigns	16,600	15,472
Collateral – production and distribution	2,975	861
Familiarisation visits	1,906	1,842
Multimedia and audiovisual	37	34
	21,518	18,209

NOTE 14. OTHER EXPENSES

	2017	2016
	\$'000	\$'000
Employment on-costs	29	80
Loss on disposal of non-current assets	1	267
Royalties for Regions - refund of cash balances (a)	-	34
Miscellaneous expenses	14	-
	44	381

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 27 'Payables') and the cash held is included in restricted cash (see Note 19 'Restricted cash and cash equivalents').

NOTE 15. RELATED PARTY TRANSACTIONS

The WATC is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the WATC is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State. Related parties of the WATC include:

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

Significant transactions with government related entities

Significant transactions include:

- service appropriations (note 18);
- capital appropriations (note 30);
- services received free of charge from other government entities (note 18);
- Royalties for Regions Fund (note 18);
- superannuation payments to GESB (note 6);
- audit fees to the Office of the Auditor General (note 37); and
- lease rental payments to the Department of Finance and other government entities (note 10).

Material transactions with related parties

During the year, Tourism WA entered into a cooperative marketing campaign agreement with Kalhaven Holdings Pty Ltd trading as Discover Australia Holidays. The entity is controlled by close family members of Nathan Harding, a Tourism WA board member. The agreement was entered into following an expression of interest process and under terms and conditions equivalent to those that prevail in arm's length transactions. \$130,000 has been included in expenses in the current reporting period and there are no future commitments.

All other transactions between Tourism WA and senior officers or their close family members or their controlled (or jointly controlled) entities are not material for disclosure.

NOTE 16. COMMONWEALTH GRANTS AND CONTRIBUTIONS

	2017	2016
	\$'000	\$'000
Recurrent grants - Tourism Demand-Driver Infrastructure	1,444	962
	1,444	962

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 17. OTHER REVENUE

	2017	2016
	\$'000	\$'000
Industry contributions and sponsorship	120	242
Travel agents' commissions	30	31
Gain on foreign exchange	4	11
Miscellaneous revenue	605	397
	759	681

NOTE 18. INCOME FROM STATE GOVERNMENT

	2017	2016
	\$'000	\$'000
Appropriation received during the period:		
Service appropriations (a)	67,642	63,583
	67,642	63,583
Services received free of charge from other State government agencies during the period:		
- Department of Finance	29	268
- State Solicitors Office	21	10
- WA Land Information Authority (Landgate)	499	279
	549	757
Royalties for Regions Fund:		
- Regional Community Services Account (b)	22,460	19,612
	90,651	83,952

(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 2017 comprises funding of \$10.068m for Regional Events (2016: \$7.984m), \$6.21m for Regional Tourism Marketing (2016: \$5.664m), \$3.811m for the Caravan and Camping Action Plan (2016: \$3.555m), \$1.227m for a Regional Visitor Centres program (2016: \$1.259M) and \$1.144m for the Aboriginal Tourism Development Program (2016: \$1.15m).

NOTE 19. RESTRICTED CASH AND CASH EQUIVALENTS

	2017 \$'000	2016 \$'000
Current		
Royalties for Regions Fund (a)	897	54
	897	54

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

NOTE 20. RECEIVABLES

	2017 \$'000	2016 \$'000
Current		
Receivables	24	16
Allowance for impairment of receivables	-	-
Accrued revenue	372	434
Hopman Cup receivable (a)	-	-
GST receivable	1,775	1,598
	2,171	2,048
Hopman Cup receivable (a)		
Distribution due at start of period	-	116
- Plus share of profits for the current event	-	-
	-	116
Less distribution received	-	116
Balance due at end of period	-	-
Total receivables	2,171	2,048

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 21. PREPAYMENTS

	2017 \$'000	2016 \$'000
Event sponsorship	3,915	3,059
Licence, maintenance and support fees	384	363
Accommodation expenses	183	219
Other	314	426
	4,796	4,067

NOTE 22. AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

	2017 \$'000	2016 \$'000
Current	475	475
Non-current	6,520	6,303
	6,995	6,778

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 23. OTHER NON-CURRENT ASSETS

	2017 \$'000	2016 \$'000
Investments (a)	235	249
Total non-current	235	249

(a) At 30 June 2017, the WATC held a 13.57% interest (2016: 13.57%) 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 24. PROPERTY, PLANT AND EQUIPMENT

	2017 \$'000	2016 \$'000
Leasehold improvements		
At cost	-	-
Accumulated depreciation	-	-
	-	-
Furniture, fittings and equipment		
At cost	2,917	2,901
Accumulated depreciation	(2,634)	(2,533)
	283	368
Computer equipment		
At cost	444	460
Accumulated depreciation	(430)	(378)
	14	82
	297	450

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 \$'000	FURNITURE, FITTINGS AND EQUIPMENT \$'000	COMPUTER EQUIPMENT \$'000	TOTAL \$'000
2017				
Carrying amount at start of period	-	368	82	450
Additions	-	16	-	16
Transfers	-	-	-	-
Other disposals	-	-	(2)	(2)
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	-	(101)	(66)	(167)
Carrying amount at end of period	-	283	14	297

	LEASEHOLD IMPROVEMENTS \$'000	FURNITURE, FITTINGS AND EQUIPMENT \$'000	COMPUTER EQUIPMENT \$'000	TOTAL \$'000
2016				
Carrying amount at start of period	-	442	168	610
Additions	-	47	11	58
Transfers	-	-	-	-
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	-	(121)	(97)	(218)
Carrying amount at end of period	-	368	82	450



Fringe World, Perth

NOTE 25. INTANGIBLE ASSETS

	2017 \$'000	2016 \$'000
Software and website development		
At cost	405	405
Accumulated amortisation	(327)	(234)
	78	171
Development costs		
At cost	706	556
Accumulated amortisation	(560)	(556)
	146	-
Campaign production costs		
At cost	990	500
Accumulated amortisation	(257)	(10)
	733	490
Works in progress		
At cost	-	107
Accumulated amortisation	-	-
	-	107
	957	768
Reconciliations:		
Software and website development		
Carrying amount at start of period	171	83
Additions	-	191
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(93)	(103)
Carrying amount at end of period	78	171
Development costs		
Carrying amount at start of period	-	-
Additions	150	-
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(4)	-
Carrying amount at end of period	146	-
Campaign production costs		
Carrying amount at start of period	490	685
Additions	491	500
Adjustments	-	-
Disposals	-	(268)
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(248)	(427)
Carrying amount at end of period	733	490
Works in progress		
Carrying amount at start of period	107	-
Additions	-	107
Adjustments	(107)	-
Carrying amount at end of period	-	107

NOTE 26. IMPAIRMENT OF ASSETS

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2017.

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 2017 have either been classified as assets held for sale or written off.

NOTE 27. PAYABLES

	2017	2016
	\$'000	\$'000
Current		
Trade payables	745	297
Other payables	31	40
Accrued salaries	38	-
Accrued expenses	2,145	2,472
Total current	2,959	2,809

NOTE 28. PROVISIONS

	2017	2016
	\$'000	\$'000
Current		
Employee benefits provision		
Annual leave (a)	891	956
Long service leave (b)	1,004	1,026
Purchased leave	-	2
Deferred salary scheme	1	-
	1,896	1,984
Other provisions		
Employment on-costs (c)	162	260
	162	260
	2,058	2,244
Non-current		
Employee benefits provision		
Long service leave (b)	413	522
	413	522
Other provisions		
Employment on-costs (c)	42	82
	42	82
	455	604

(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:

	2017	2016
	\$'000	\$'000
Within 12 months of the end of the reporting period	587	647
More than 12 months after the end of the reporting period	304	309
	891	956

(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:

	2017	2016
	\$'000	\$'000
Within 12 months of the end of the reporting period	392	468
More than 12 months after the end of the reporting period	1,025	1,080
	1,417	1,548

(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 14 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the period, other than employee benefits, are set out below.

	2017	2016
	\$'000	\$'000
Employment on-cost provision		
Carrying amount at start of period	342	386
Additional provisions recognised	-	-
Payments/other sacrifices of economic benefits	(138)	(44)
Unwinding of the discount	-	-
Carrying amount at end of period	204	342

NOTE 29. OTHER LIABILITIES

	2017	2016
	\$'000	\$'000
Current		
Income in advance	2	165
Total current	2	165



NOTE 30. 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.

Contributed equity

	2017	2016
	\$'000	\$'000
Balance at start of period	9,493	9,093
Contributions by owners		
Capital appropriation	150	150
Other contributions by owners		
Royalties for Regions Fund – Regional Community Services Account	490	250
Total contributions by owners	640	400
Balance at end of period	10,133	9,493

Accumulated surplus

	2017	2016
	\$'000	\$'000
Balance at start of period	5,507	4,766
Result for the period	1,147	741
Income and expense recognised directly in equity	-	-
Balance at end of period	6,654	5,507
Total equity at end of period	16,787	15,000



Fremantle Fishing Boat Harbour

NOTE 31. 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:

	2017	2016
	\$'000	\$'000
Cash and cash equivalents	5,913	6,408
Restricted cash and cash equivalents	897	54
	6,810	6,462

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

	2017	2016
	\$'000	\$'000
Net cost of services	(89,504)	(83,211)
Non-cash items		
Depreciation and amortisation expense (<i>note 9 'Depreciation and amortisation expense'</i>)	512	748
Services received free of charge (<i>note 18 'Income from State Government'</i>)	549	757
Net loss on disposal of property, plant and equipment	1	267
(Gain)/loss on foreign exchange	5	(9)
Write-down of prior year intangible asset work in progress	107	-
Adjustment for other non-cash items	(2)	7
(Increase)/decrease in assets		
Current receivables (a)	54	113
Other current assets	(729)	(1,084)
Other non-current assets	14	(143)
Increase/(decrease) in liabilities		
Current payables (a)	150	(509)
Current provisions	(186)	(93)
Other current liabilities	(163)	109
Non-current provisions	(149)	(31)
Net GST receipts/(payments) (b)	(190)	(179)
Change in GST in receivables/payables (c)	10	54
Net cash used in operating activities	(89,521)	(83,204)

(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, ie. cash transactions.

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

NOTE 32. COMMITMENTS

The commitments detailed below are inclusive of GST.

Non-cancellable operating lease commitments

	2017	2016
	\$'000	\$'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	1,273	176
Later than 1 year and not later than 5 years	3,924	205
	5,197	381

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 Works and through a Memorandum of Understanding between the Department of Finance and the WATC. 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

	2017	2016
	\$'000	\$'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	37,418	34,499
Later than 1 year and not later than 5 years	50,448	37,182
	87,866	71,681

NOTE 33. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 34. 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. As part of Public Sector renewal structural changes, the WATC has been amalgamated into, and staff transferred to, the Department of Jobs, Tourism, Science and Innovation effective 1 July 2017 however the role and function of the WATC remains unchanged at this stage of the renewal.

NOTE 35. EXPLANATORY STATEMENT

All variances between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016, are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$1.7 million (2% of prior year Total Cost of Services) for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$416,000 (2% of prior year Total Assets) for the Statement of Financial Position.

It should be noted that 2017 Budget figures in the following tables do not match budgets contained in the 2016-17 State Budget Statements due to categorisation differences between Tourism WA's financial statements and the State budget statements. For comparative purposes against 2017 actuals, budgets reported in this note represent State budget figures after reclassification adjustments. The totals of each financial statement as reported in the 2016-17 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.

2017 Key Budget Movements

	Original Budget 2017 \$'000	Revised Budget 2017 \$'000	Budget Movement \$'000
Statement of Comprehensive Income			
Total cost of services ¹	93,155	92,291	(864)
Net cost of services	90,717	89,615	(1,102)
Service appropriation	65,380	67,642	2,262
Royalties for Regions Fund	25,162	22,460	(2,702)
Total income from State Government	90,892	90,622	(270)
Statement of Financial Position			
Cash and cash equivalents	6,778	7,381	603
Total current assets	12,269	13,971	1,702
Total assets	19,823	22,381	2,558
Total liabilities	5,790	5,734	(56)
Total equity	14,033	16,647	2,614
¹Total cost of services – original budget			93,155
Budget adjustments during the year:			
Event Tourism supplementary funding			2,130
Revenue revisions with offsetting expenditure			410
Transfer of procurement position from Department of Finance			132
Miscellaneous adjustment			(2)
<i>Royalties for Regions adjustments:</i>			(2,189)
Recashflowing of Caravan and Camping budget to 2017-18			(846)
Reduction to Regional Events Program expenditure budget			
Transfer Regional Tourism Marketing expenditure budget from operating to capital for campaign production costs			(490)
Miscellaneous adjustments			(9)
Total budget adjustments during the year			(864)
Total cost of services – revised budget			92,291

STATEMENT OF COMPREHENSIVE INCOME

	Variance Note	Original Budget 2017 \$'000	Actual 2017 \$'000	Variance between budget and actual \$'000	Variance between budget and actual %	Actual 2016 \$'000	Variance between actual results for 2017 and 2016 \$'000	Variance between actual results for 2017 and 2016 %
COST OF SERVICES								
Expenses								
Employee benefits expense		11,933	11,832	(101)	1%	11,591	241	2%
Supplies and services	1	31,046	27,934	(3,112)	10%	27,558	376	1%
Depreciation and amortisation expense		692	512	(180)	26%	748	(236)	32%
Accommodation expenses		2,204	2,146	(58)	3%	2,182	(36)	2%
Grants and subsidies		5,347	5,678	331	6%	5,165	513	10%
Event operations expenses	A	21,925	22,483	558	3%	19,319	3,164	16%
Advertising and promotion expenses	B	19,987	21,518	1,531	8%	18,209	3,309	18%
Other expenses		21	44	23	110%	381	(337)	88%
Total cost of services		93,155	92,147	(1,008)	1%	85,153	6,994	8%
Income								
Revenue								
Commonwealth grants and contributions		1,388	1,444	56	4%	962	482	50%
Interest revenue		250	440	190	76%	299	141	47%
Other revenue		800	759	(41)	5%	681	78	11%
Total Revenue		2,438	2,643	205	8%	1,942	701	36%
Total income other than income from State Government		2,438	2,643	205	8%	1,942	701	36%
NET COST OF SERVICES		90,717	89,504	(1,213)	1%	83,211	6,293	8%
Income from State Government								
Service appropriation	C	65,380	67,642	2,262	3%	63,583	4,059	6%
Resources received free of charge		350	549	199	57%	757	(208)	27%
Royalties for Regions Fund	2, D	25,162	22,460	(2,702)	11%	19,612	2,848	15%
Total income from State Government		90,892	90,651	(241)	0%	83,952	6,699	8%
SURPLUS/(DEFICIT) FOR THE PERIOD		175	1,147	972		741	406	
OTHER COMPREHENSIVE INCOME								
Items not reclassified subsequently to profit or loss								
Changes in asset revaluation surplus		-	-	-	0%	-	-	0%
Total other comprehensive income		-	-	-	0%	-	-	0%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		175	1,147	972		741	406	

STATEMENT OF FINANCIAL POSITION

	Variance Note	Original Budget 2017 \$'000	Actual 2017 \$'000	Variance between budget and actual \$'000	Variance between budget and actual %	Actual 2016 \$'000	Variance between actual results for 2017 and 2016 \$'000	Variance between actual results for 2017 and 2016 %
ASSETS								
Current Assets								
Cash and cash equivalents		6,778	5,913	(865)	13%	6,408	(495)	8%
Restricted cash and cash equivalents		-	897	897	100%	54	843	1,561%
Receivables		2,032	2,171	139	7%	2,048	123	6%
Prepayments	3, E	2,984	4,796	1,812	61%	4,067	729	18%
Amounts receivable for services		475	475	-	0%	475	-	0%
Total Current Assets		12,269	14,252	1,983	16%	13,052	1,200	9%
Non-Current Assets								
Amounts receivable for services		6,520	6,520	-	0%	6,303	217	3%
Property, plant and equipment		476	297	(179)	38%	450	(153)	34%
Intangible assets	4	452	957	505	112%	768	189	25%
Other non-current assets		106	235	129	122%	249	(14)	6%
Total Non-Current Assets		7,554	8,009	455	6%	7,770	239	3%
TOTAL ASSETS		19,823	22,261	2,438	12%	20,822	1,439	7%
LIABILITIES								
Current Liabilities								
Payables		2,818	2,959	141	5%	2,809	150	5%
Provisions		2,338	2,058	(280)	12%	2,244	(186)	8%
Other current liabilities		-	2	2	100%	165	(163)	99%
Total Current Liabilities		5,156	5,019	(137)	3%	5,218	(199)	4%
Non-Current Liabilities								
Provisions		634	455	(179)	28%	604	(149)	25%
Total Non-Current Liabilities		634	455	(179)	28%	604	(149)	25%
TOTAL LIABILITIES		5,790	5,474	(316)	5%	5,822	(348)	6%
NET ASSETS		14,033	16,787	2,754	20%	15,000	1,787	12%
EQUITY								
Contributed equity		9,643	10,133	490	5%	9,493	640	7%
Accumulated surplus/(deficit)		4,390	6,654	2,264	52%	5,507	1,147	21%
TOTAL EQUITY		14,033	16,787	2,754	20%	15,000	1,787	12%

STATEMENT OF CASH FLOWS

	Variance Note	Original Budget 2017 \$'000	Actual 2017 \$'000	Variance between budget and actual \$'000	Variance between budget and actual %	Actual 2016 \$'000	Variance between actual results for 2017 and 2016 \$'000	Variance between actual results for 2017 and 2016 %
CASH FLOWS FROM STATE GOVERNMENT								
Service appropriation	C	64,688	66,950	2,262	3%	62,891	4,059	6%
Capital appropriation		150	640	490	327%	400	240	60%
Holding account drawdown		475	475	-	0%	475	-	0%
Royalties for Regions Fund	2, D	25,162	22,460	(2,702)	11%	19,612	2,848	15%
Net cash provided by State Government		90,475	90,525	50	0%	83,378	7,147	9%
CASH FLOWS FROM OPERATING ACTIVITIES								
Payments								
Employee benefits		(11,933)	(11,970)	37	0%	(12,034)	(64)	1%
Supplies and services	1	(30,609)	(26,898)	(3,711)	12%	(27,253)	(355)	1%
Accommodation		(2,379)	(2,110)	(269)	11%	(2,274)	(164)	7%
Grants and subsidies		(5,347)	(5,681)	334	6%	(5,188)	493	10%
GST payments on purchases		(7,348)	(6,841)	(507)	7%	(6,261)	580	9%
Event operations payments	5, A	(21,925)	(23,676)	1,751	8%	(20,174)	3,502	17%
Advertising and promotion payments	B	(19,987)	(20,696)	709	4%	(17,971)	2,725	15%
Other payments		(21)	(695)	674	3,210%	(157)	538	343%
Receipts								
Commonwealth grants and contributions		1,388	1,386	(2)	0%	1,020	366	36%
Interest received		250	437	187	75%	293	144	49%
GST receipts on sales		64	48	(16)	25%	61	(13)	21%
GST receipts from taxation authority		7,284	6,603	(681)	9%	6,021	582	10%
Other receipts		800	572	(228)	29%	713	(141)	20%
Net cash used in operating activities		(89,763)	(89,521)	242	0%	(83,204)	6,317	8%
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments								
Purchase of non-current assets		(625)	(656)	31	5%	(856)	(200)	23%
Receipts								
Proceeds from sale of non-current assets		-	-	-	0%	-	-	0%
Net cash used in investing activities		(625)	(656)	31	5%	(856)	(200)	23%
Net increase/(decrease) in cash and cash equivalents		87	348	261		(682)	1,030	
Cash and cash equivalents at the beginning of the period		6,691	6,462	(229)		7,144	(682)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		6,778	6,810	32		6,462	348	

Major Estimate and Actual (2017) Variance Narratives

1. Supplies and services was lower than estimated due to:
 - a. the recashflowing of Caravan and Camping activity to 2017-18; and
 - b. the result of budget reviews during the year that saw funding redirected to Destination Marketing for additional promotional activities.
2. Royalties for Regions funding decreased during the year due to the recashflowing of Caravan and Camping activity to 2017-18.
3. Prepayments were higher than budget mainly due to an understated estimate in the 2016-17 State budget papers and an overall higher level of event sponsorship prepayments for events being held in future years.
4. Intangibles were greater than originally anticipated due to the repurposing, during the year, of Royalties for Regions funding from operating to capital for campaign production.
5. Event operations cash expenditure was higher than estimated due to a higher level of prepayments in 2016-17 and a substantial level of 2015-16 expenditure settled in 2016-17.

Major Actual (2017) and Comparative (2016) Variance Narratives

- A. Event operations expenses were higher than previous year due to a greater overall level of funding available in 2016-17 for event sponsorships.
- B. There was a higher overall level of funding available in 2016-17 for Destination Marketing that was directed towards advertising and promotional activity.
- C. Service appropriations were higher in 2016-17 mainly due to additional funding received for Event Tourism activity and an increase in funding for the Perth Convention Bureau.
- D. There was an increase in Royalties for Regions funding which was mainly an uplift to the Regional Tourism Marketing program when compared with prior year.
- E. There was a higher level of prepayments in 2016-17 due to a higher level of event sponsorship prepayments for events being held in future years.



Fremantle

NOTE 36. 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 36(c) 'Financial instruments disclosures' and note 20 '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 36(c) 'Financial instrument disclosures'. The WATC has no borrowings outstanding at reporting date.

Currency risk

In 2016-17, 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.



Cottesloe Beach, Perth

(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:

	2017	2016
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	5,913	6,408
Restricted cash and cash equivalents	897	54
Receivables (a)	397	450
Amounts receivable for services	6,995	6,778
Available for sale financial asset	235	249
Financial Liabilities		
Financial liabilities measured at amortised cost	2,959	2,809

(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
Financial Assets								
2017								
Cash and cash equivalents	5,913	5,913	-	-	-	-	-	-
Restricted cash and cash equivalents	897	897	-	-	-	-	-	-
Receivables (a)	397	395	2	-	-	-	-	-
Amounts receivable for services	6,995	6,995	-	-	-	-	-	-
Available for sale asset	235	235	-	-	-	-	-	-
	14,437	14,435	2	-	-	-	-	-
2016								
Cash and cash equivalents	6,408	6,408	-	-	-	-	-	-
Restricted cash and cash equivalents	54	54	-	-	-	-	-	-
Receivables (a)	450	412	37	1	-	-	-	-
Amounts receivable for services	6,778	6,778	-	-	-	-	-	-
Available for sale asset	249	249	-	-	-	-	-	-
	13,939	13,901	37	1	-	-	-	-

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

Liquidity risk and interest rate exposure

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

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

	Weighted Average Effective Interest Rate %	Interest rate exposure				Maturity dates					
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Nominal Amount \$'000	Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
2017											
Financial Assets											
Cash and cash equivalents	1.91	5,913	-	5,866	47	5,913	5,913	-	-	-	-
Restricted cash and cash equivalents	1.91	897	-	897	-	897	897	-	-	-	-
Receivables (a)		397	-	-	397	397	397	-	-	-	-
Amounts receivable for services		6,995	-	-	6,995	6,995	-	-	475	1,900	4,620
Available for sale asset		235	-	-	235	235	235	-	-	-	-
		14,437	-	6,763	7,674	14,437	7,442	-	475	1,900	4,620
Financial Liabilities											
Payables		2,959	-	-	2,959	2,959	2,959	-	-	-	-
		2,959	-	-	2,959	2,959	2,959	-	-	-	-

(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 %	Interest rate exposure				Maturity dates					
		Carrying Amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Nominal Amount \$'000	Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
2016											
Financial Assets											
Cash and cash equivalents	2.03	6,408	-	6,355	53	6,408	6,408	-	-	-	-
Restricted cash and cash equivalents	2.03	54	-	54	-	54	54	-	-	-	-
Receivables (a)		450	-	-	450	450	450	-	-	-	-
Amounts receivable for services		6,778	-	-	6,778	6,778	-	-	475	1,900	4,403
Available for sale asset		249	-	-	249	249	249	-	-	-	-
		13,939	-	6,409	7,530	13,939	7,161	-	475	1,900	4,403
Financial Liabilities											
Payables		2,809	-	-	2,809	2,809	2,344	-	465	-	-
		2,809	-	-	2,809	2,809	2,344	-	465	-	-

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

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
2017					
Financial Assets					
Cash and cash equivalents	5,913	(59)	(59)	59	59
Restricted cash and cash equivalents	897	(9)	(9)	9	9
Total Increase/(Decrease)		(68)	(68)	68	68

	Carrying amount \$'000	-100 basis points		+ 100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2016					
Financial Assets					
Cash and cash equivalents	6,408	(64)	(64)	64	64
Restricted cash and cash equivalents	54	(1)	(1)	1	1
Total Increase/(Decrease)		(65)	(65)	65	65

Fair values

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

NOTE 37. REMUNERATION OF AUDITOR

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

	2017 \$'000	2016 \$'000
Auditing the accounts, financial statements and performance indicators	113	111

Rockingham, Perth

NOTE 38. RELATED BODIES

There are no related bodies.

NOTE 39. 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 covers a four-year period to 30 June 2020.

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 2016-17.

Payments inclusive of GST made to the PCB in 2016-17 totalled \$5,423,822 (2015-16: \$4,138,192).

Regional Tourism Organisations

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. The current agreement period is from 1 January 2016 to 30 June 2020.

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 2016-17.

Base payments, inclusive of GST, made to each RTO in 2016-17 were \$762,913 (2015-16: \$758,000). Total additional payments made to the RTOs in 2016-17 for other activities were \$72,815 (2015-16: \$1,218,409).

Western Australian Indigenous Tourism Operators Council (WAITOC)

The WATC entered into two four-year agreements with WAITOC - an Administration Services Agreement and a Marketing and Business Development agreement (the latter being funded through the Royalties for Regions Fund) - to promote Aboriginal tourism experiences in Western Australia. The current agreements expire 30 June 2019.

WAITOC is not subject to operational control by the WATC but received more than 50% of its total funding from the WATC in 2016-17.

Total payments, inclusive of GST, made to WAITOC in 2016-17 were \$1,530,934 (2015-16: \$1,523,500).

NOTE 40. SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-offs

	2017 \$'000	2016 \$'000
Public property written off by the Executive Council during the financial year	-	-

(b) Losses through theft, defaults and other causes

	2017 \$'000	2016 \$'000
Losses of public moneys and public and other property through theft or default	-	-

(c) Gifts of public property

	2017 \$'000	2016 \$'000
Gifts of public property provided by the WATC	12	20

NOTE 41. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

	DESTINATION MARKETING		EVENT TOURISM		TOURISM INVESTMENT & INFRASTRUCTURE		TOTAL	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
COST OF SERVICES								
Expenses								
Employee benefits expense	5,931	6,306	2,530	2,494	3,371	2,791	11,832	11,591
Supplies and services	20,201	20,887	2,461	2,688	5,272	3,983	27,934	27,558
Depreciation and amortisation expense	270	617	103	63	139	68	512	748
Accommodation expenses	1,479	1,542	296	321	371	319	2,146	2,182
Grants and subsidies	391	491	42	262	5,245	4,412	5,678	5,165
Event operations expenses	-	-	22,483	19,319	-	-	22,483	19,319
Advertising and promotion expenses	20,449	15,740	782	2,274	287	195	21,518	18,209
Other expenses	23	206	9	103	12	72	44	381
Total cost of services	48,744	45,789	28,706	27,524	14,697	11,840	92,147	85,153
Income								
Commonwealth grants and contributions	-	-	-	-	1,444	962	1,444	962
Interest revenue	231	177	89	59	120	63	440	299
Other revenue	658	585	17	44	84	52	759	681
Total income other than income from State Government	889	762	106	103	1,648	1,077	2,643	1,942
NET COST OF SERVICES	47,855	45,027	28,600	27,421	13,049	10,763	89,504	83,211
INCOME FROM STATE GOVERNMENT								
Service appropriation	41,518	38,914	19,587	19,787	6,537	4,882	67,642	63,583
Resources received free of charge	289	447	111	150	149	160	549	757
Royalties for Regions Fund	6,210	5,664	10,068	7,984	6,182	5,964	22,460	19,612
Total income from State Government	48,017	45,025	29,766	27,921	12,868	11,006	90,651	83,952
Surplus/(deficit) for the period	162	(2)	1,166	500	(181)	243	1,147	741



4.3 KEY PERFORMANCE INDICATORS

Certification of Key Performance Indicators for the Year Ended June 30, 2017

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Tourism Commission's performance, and fairly represent the performance of the Western Australian Tourism Commission for the financial year ending June 30, 2017.



Nathan Harding
CHAIRMAN

September 1, 2017



Tracey Horton
Commissioner

September 1, 2017



Cable Beach, Broome

Key Performance Indicators

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

The government goal that is supported by Tourism WA is “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 supporting this is: Increased competitiveness and viability of the Western Australian Tourism industry. ‘Competitiveness’ reflects the fact Western Australia faces real product competition with other interstate and overseas destinations. Tourism industry ‘viability’ is secured when it is characterised by profitability and new investment whilst being sensitive to community views and environmental concerns.

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

Key Effectiveness Indicators

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

Key Efficiency Indicators

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

1. Total dollar amount spent by visitors in Western Australia

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

	RESULTS				
	2016-17 Target	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 1					
Total dollar amount spent by visitors in Western Australia	\$9.3 billion	\$10 billion	\$9.6 billion	\$9.5 billion	\$7.5 billion

Notes:

- i. Spend information is sourced from the Regional Expenditure data, provided by Tourism Research Australia (TRA). The expenditure figures are based on responses from TRA’s National Visitor Survey (NVS) and International Visitor Survey (IVS) for the visitor’s entire trip. The Regional Expenditure model allocates visitor expenditure to specific tourism regions to determine spend estimates for each of Australia’s states.
- ii. The results of the NVS and IVS, including the Regional Expenditure data, are released by TRA each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2016 in this instance). YE December information is used as it is usually available ahead of each year’s State Budget process.
- iii. 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 visitors at airport departure lounges across Australia.
- iv. Mobile phone interviewing was introduced to the NVS in 2014; prior to this all interviewing was conducted by calling landline phone numbers only. Consequently, there is a break in time series between 2013 and 2014. This change in methodology and associated break in time series explains why there is a significant increase from the 2013-14 actual result to the 2014-15 actual result reported above.
- v. Overnight Domestic Visitors Definition: Australian residents aged 15 years and over who spent at least one night away from home in Western Australia.
- vi. Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in Western Australia.
- vii. Visitors include those travelling for all purposes including leisure, business, visiting friends and relatives and education.
- viii. Sample size for Western Australia: daytrips n=2,502; domestic n=4,413; international n=5,927.
- ix. Confidence intervals for Western Australia: daytrips \pm 1.96%; domestic \pm 1.48%; international \pm 1.27%. These confidence intervals are calculated by Tourism WA based on total sample sizes.
- x. The response rate for the International Visitor Survey is 66% and the National Visitor Survey is 41%.
- xi. In September 2016, Tourism Research Australia identified a methodology issue with the NVS impacting the domestic estimates for all States and Territories for 2014, 2015 and 2016. TRA have now corrected the issue and all domestic estimates for 2014 to 2016 have been back cast and reissued. The domestic estimates for WA were revised upwards. By correcting this methodology issue the revised estimates, and estimates produced by the NVS moving forward, more accurately reflect the Australian population and domestic travel across the country. The 2016-17 target for KPI 1 was set based on the original estimates of domestic visitor spend. This explains why the target set for 2016-17 is significantly lower than the actual result achieved 2016-17.

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

In order to build a strong market base, WA as a destination must at least meet visitor expectations, if not exceed them. This KPI measures the effectiveness of strategies being employed by Tourism WA and the tourism industry to develop and improve tourism product (including awareness, access, accommodation, amenities and attractions).

	2016-17 Target	RESULTS			
		2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 2					
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	99%	97.8%	97.5%	97.8%

Notes:

- Visitor expectations are measured through the Visitor Expectation and Experience Research.
- This is conducted through a face-to-face survey of intrastate, interstate, and international visitors to WA.
- Interviewing takes place across the full year to address seasonality issues. Data is analysed and reported annually.
- The KPI measure is based on a sample size of n=400 visitors for 2016-17.
- This was made up of n=133 intrastate, n=126 interstate and n=141 international visitors.
- The response rate for 2016-17 was 80%.
- The confidence interval for the sample of n=400 interviews is +/-5% (+/-4.9%) at the 95% confidence level. This confidence interval is based on total sample size.
- The 2016-17 and prior year's targets have been set on the premise that at least nine out of ten visitors to/within Western Australia should say their holiday met or exceeded their expectations.

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

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

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

	2016-17 Target	RESULTS			
		2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 3					
Value of cooperative marketing funds provided by the tourism industry	\$6 million	\$8.7 million	\$6.9 million	\$7.5 million	\$8.2 million

Notes:

Domestic Cooperative Marketing

- 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.
- 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

- 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.
- Tourism WA's International Market Managers identify cooperative opportunities with airlines, wholesalers, retailers and non-traditional partners and undertake joint campaigns in the United Kingdom, Germany, Singapore, Malaysia, Indonesia, China, Hong Kong, Japan, New Zealand and the USA.
- Tourism WA's participation in cooperative marketing activities in these 10 international markets is evaluated based on the potential return on investment and alignment to the State's tourism brand. In joint brand promotions, Tourism WA's funding contribution is generally matched dollar for dollar and aims to promote regional dispersal and introduce new products to the market where possible.

Combined total

- The actual for 2016-17 is significantly greater than the actual for 2015-16, and greater than the target set for 2016-17, primarily due to a change in some partners and activity. In particular, 2016-17 saw additional co-operative marketing with Qantas (linked to the new direct flight from London to Perth), and a large global campaign with STA Travel.

4. Direct economic impact of major events sponsorship

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

	2016-17 Target	RESULTS	
		2016-17 Actual	2015-16 Actual
KPI 4			
Direct economic impact of major events sponsorship	\$55 million	\$56.8 million	\$33.2 million

Major events definition

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

Direct Economic Impact

- Direct Economic impact is defined as the amount of new money that enters the WA economy as a direct result of an event (i.e. the money would not enter the economy if the event was not held). That is any event related spend in the State by non-WA individuals and organisations, minus any spend outside of the State by WA individuals and organisations. For events held in the State specifically for Western Australians to attend, an independent measure of the local economic activity generated by the event is determined. This represents the amount of event-related spend by WA individuals that flows through the WA economy.
- 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)
- SEI and REI are mutually exclusive because they are applied to different events. No event has both SEI and REI applied to it.
- The economic impact is based on the most current and relevant research for events. In some cases, this research may be from the prior period.
- The actual result for 2016-17 is greater than the actual result for 2015-16 primarily because of the number of events in scope (nine events in 2015-16, compared to 11 events in 2016-17).

5. Direct media impact of major events sponsorship

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

The current definition of Media Impact includes the advertising equivalent value (AEV) of the exposure of Western Australian tourism imagery and branding within television production and traditional periphery media (e.g. print, radio). It does not include social media.

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

	2016-17 Target	RESULTS	
		2016-17 Actual	2015-16 Actual
KPI 5			
Direct media impact of major events sponsorship	\$125 million	\$156 million	\$139.4 million

Major events definition

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

Media Impact

- Media Impact (MI)** is defined as 1.) the dollar value of Western Australian tourism imagery and branding (including video postcards of WA tourism destinations, verbal commentary mentions about the destination, on-screen graphics and signage) integrated into television production related to the events plus 2.) the dollar value of the number of mentions of Western Australia in traditional periphery media (e.g. print, radio etc) as a result of the event.
- It is measured by independent media evaluation companies. In line with the rest of the Agency, 100% of the Advertising Equivalent Value (AEV) is counted.
- The media impact is based on the most current and relevant research for events. In some cases, this research may be from the prior period.
- The 2016-17 actual result is greater than the target set for 2016-17 primarily because World Super Six Perth, an event with significant media impact, is included in the actual result but was not considered when the target was set as it was not confirmed at the time.
- The actual result for 2016-17 is greater than the actual result for 2015-16 primarily because of the number of events in scope (nine events in 2015-16, compared to 11 events in 2016-17).

6. Destination Marketing administrative costs as a proportion of Total Cost of Services allocated to Destination Marketing

7. Events Tourism administrative costs as a proportion of Total Cost of Services allocated to Events Tourism

8. Tourism Investment and Infrastructure administrative costs as a proportion of Total Cost of Services allocated to Tourism Investment and Infrastructure

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

	2016-17 Target	RESULTS	
		2016-17 Actual	2015-16 Actual
KPI 6			
Destination Marketing administrative costs as a proportion of Total Cost of Services allocated to Destination Marketing	28%	23%	29%
KPI 7			
Events Tourism administrative costs as a proportion of Total Cost of Services allocated to Events Tourism	16%	14%	15%
KPI 8			
Tourism Investment and Infrastructure administrative costs as a proportion of Total Cost of Services allocated to Tourism Investment and Infrastructure	33%	34%	39%

- i. The percentage shown is the cost of service division overheads and corporate and executive services allocated to the service division divided by total cost of services for the division.
- ii. Allocation of the cost of corporate and executive services to each service division is determined by the proportion of FTE numbers in each division.



Elizabeth Quay, Perth

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 2016-17.

4.5 OTHER FINANCIAL DISCLOSURES

4.5.1 Capital Works

Tourism WA continued its asset replacement program in 2016-17. This included the production of campaign material and replacement of information and communication technology equipment and other office equipment.

4.5.2 Employment and Industrial Relations

Our people

Tourism WA employs 84.6 FTE (as at June 30, 2017). Of these employees, 73 per cent are female and 27 per cent male. Women continue to be well represented in the senior leadership team (Tiers 1 – 3) comprising 63 per cent of this group.

	2015-16		2016-17	
	Males	Females	Males	Females
FTE Tier 1, 2 & 3	9.5	27.9	8.6	14.5
Tier 1,2, & 3	34%	66%	37%	63%
Total Agency FTE	24.5	61.2	22.6	62
Total Agency	29%	71%	27%	73%

Notes: Full time equivalents (FTE) as at June 30, 2017. Does not include employees on extended unpaid leave.

Staff development

Tourism WA has a program of activity to support the development of our workplace and workforce. During 2016-17 this has included:

- Development of the Tourism WA Workforce and Diversity Plan 2017 – 2020 with the conclusion of the 2014 -2017 plan. The new plan centres on initiatives to enhance Tourism WA's capability to meet current and future organisational goals, as well as ensuring a diverse and inclusive workplace.
- Development of the Occupational Health and Safety Management Plan 2017-2020 to replace the Occupational Health and Safety Management Plan 2014 – 2017. The new plan consolidates Tourism WA's commitment to providing a safe and healthy workplace, with initiatives that continue to support this in day-to-day practice.
- Participation in cultural exchange with Aboriginal community members through various activities including NAIDOC week celebrations.
- Supporting professional development through the agency's Performance Planning program, aligned with the agency strategic objectives.

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 23 of the Financial Statements.

Unauthorised Use of Credit Cards

Officers of the WATC hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the WATC's credit card policy, 12 employees inadvertently used the corporate credit card for various purchases where the expense was not for business purposes. The incidences were not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2017
	\$
Aggregate amount of personal use expenditure for the reporting period	983
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	871
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	111
Aggregate amount of personal use expenditure outstanding at balance date	-

Senior Officer Interests

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

Senior Officer	Position Held	Supplier	Total Amount (\$) (excluding GST)
Peter Prendiville	Chairman	Cottesloe Beach Hotel	281.59
		Hotel Rottneest	10,019.08
		Karratha International	2,555.36
		Mangrove Resort/Mangrove Resort Hotel	2,049.43
		Pier 21 Resort	1,890.00
		Sandalford Wines Pty Ltd	7,160.63
Howard Cearns	Deputy Chairman	Alex Hotel Northbridge/Shadow Wine Bar	22,102.38
		Como The Treasury/Wildflower by Como/The Post by Como	363.64
Neville Poelina	Commissioner	Uptuyu Aboriginal Adventures	13,937.25
		WAITOC Association Incorporated	1,391,757.90
Nathan Harding	Commissioner	Kalhaven Holdings Pty Ltd trading as Discover Australia Holidays	130,000.00
Elizabeth Gaines	Commissioner	Nine Entertainment	80,545.45

Board Remuneration

Remuneration of the Board of Commissioners of the Western Australian Tourism Commission in 2016-17 was as follows:

Position	Name	Period of membership	Remuneration (\$)
Chairman	Peter Prendiville	1 July 2016 to 30 June 2017	62,759
Deputy Chairman	Howard Cearns	1 July 2016 to 30 June 2017	42,623
Commissioner	Valerie Davies	1 July 2016 to 30 June 2017	37,035
Commissioner	Al Donald	1 July 2016 to 30 June 2017	42,403
Commissioner	Elizabeth Gaines	1 July 2016 to 30 June 2017	36,907
Commissioner	Nathan Harding	1 July 2016 to 30 June 2017	37,090
Commissioner	Tracey Horton	1 July 2016 to 30 June 2017	36,907
Commissioner	Nicole Lockwood	1 July 2016 to 30 June 2017	36,953
Commissioner	Neville Poelina	1 July 2016 to 30 June 2017	38,350
Commissioner	Ian Thubron	1 July 2016 to 30 June 2017	42,350
Total			413,377

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

4.7 OTHER LEGAL REQUIREMENTS

Annual Estimates

Statement of Comprehensive Income

	2017-18 Estimate \$'000
COST OF SERVICES	
<i>Expenses</i>	
Employee benefits expense	11,870
Supplies and services	29,663
Depreciation and amortisation expense	692
Accommodation expenses	1,761
Grants and subsidies	5,200
Event operations expenses	31,325
Advertising and promotion expenses	19,258
Other expenses	34
Total cost of services	99,803
<i>Income</i>	
<i>Revenue</i>	
Commonwealth grants and contributions	1,757
Interest revenue	250
Other revenue	1,040
Total Revenue	3,047
Total income other than income from State Government	3,047
NET COST OF SERVICES	96,756
<i>Income from State Government</i>	
State grants and contributions	81,199
Resources received free of charge	520
Royalties for Regions Fund	15,212
Total income from State Government	96,931
SURPLUS FOR THE PERIOD	175



Northbridge, Perth

Statement of Financial Position

	2017-18 Estimate \$'000
ASSETS	
Current Assets	
Cash and cash equivalents	6,875
Restricted cash and cash equivalents	-
Receivables	2,048
Prepayments	4,748
Amounts receivable for services	475
Total Current Assets	14,146
Non-Current Assets	
Amounts receivable for services	6,737
Property, plant and equipment	566
Intangible assets	1,008
Other non-current assets	249
Total Non-Current Assets	8,560
TOTAL ASSETS	22,706
LIABILITIES	
Current Liabilities	
Payables	2,721
Provisions	2,244
Other current liabilities	165
Total Current Liabilities	5,130
Non-Current Liabilities	
Provisions	604
Total Non-Current Liabilities	604
TOTAL LIABILITIES	5,734
NET ASSETS	16,972
EQUITY	
Contributed equity	10,283
Accumulated surplus	6,689
TOTAL EQUITY	16,972

Statement of Cash Flows

	2017-18
	Estimate
	\$'000
CASH FLOWS FROM STATE GOVERNMENT	
State grants and contributions	80,407
Capital appropriation	150
Holding account drawdown	475
Royalties for Regions Fund	15,212
Net cash provided by State Government	96,244
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(11,870)
Supplies and services	(28,903)
Accommodation	(1,761)
Grants and subsidies	(5,200)
GST payments on purchases	(6,900)
Event operations payments	(31,325)
Advertising and promotion payments	(19,258)
Other payments	(34)
Receipts	
Commonwealth grants and contributions	1,757
Interest received	250
GST receipts on sales	60
GST receipts from taxation authority	6,840
Other receipts	900
Net cash used in operating activities	(95,444)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments	
Purchase of non-current assets	(625)
Net cash used in investing activities	(625)
Net increase in cash and cash equivalents	175
Cash and cash equivalents at the beginning of the reporting period	6,700
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	6,875

Statement of Comprehensive Income - Administered

	2017-18 Estimate \$'000
COST OF SERVICES	
Expenses	
Grants and subsidies	2,800
Total cost of services	2,800
Income from State Government	
State grants and contributions	2,800
Total income from State Government	2,800
SURPLUS/(DEFICIT) FOR THE PERIOD	-

Statement of Cash Flows - Administered

	2017-18 Estimate \$'000
CASH FLOWS FROM STATE GOVERNMENT	
State grants and contributions	2,800
Net cash provided by State Government	2,800
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Grants and subsidies	(2,800)
Net cash used in operating activities	(2,800)
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the reporting period	-
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	-

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.

	2016-17 \$'000
(a) Advertising agencies	4,381
(b) Market research organisations	1,261
(c) Polling organisations	-
(d) Direct mail organisations	-
(e) Media advertising organisations	10,541
	16,183

	2016-17 \$'000		2016-17 \$'000
(a) Advertising agencies		Adcorp Australia Limited	8
Cummins & Partners	4,381	Air Ads	1
	4,381	Big Head Digital	1,447
(b) Market research organisations		Boogie Monster	1
Isentia Pty Ltd	113	Buzz Marketing	23
KPP Business Development	21	Carat Australia Media Services Pty Ltd	7,901
Metrix Consulting Pty Ltd	705	Commoner Media Pty Ltd	26
MyTravelResearch.com Pty Ltd	13	Cruise Industry News	5
Nielsen Sports Pty Ltd	196	Destination Think! Australia Pty Ltd	77
Qualtrics LLC	17	Digital Balance Pty Ltd	227
STR Global Ltd	2	Discuss Digital Print	8
Taylor Nelson Sofres Australia Pty Ltd	168	Goolarri Media Enterprises Pty Ltd	8
Thinkfield	26	Identity Creative	29
	1,261	Illustrations Pty Ltd	70
(e) Media advertising organisations		Inter Media Prisma	86
		JetMax Media Ltd	55
		MC2 Media Pty Ltd	28
		Media Equation Pty Ltd	37
		Nine Network Australia Pty Ltd	89
		Offshoot Creative	21
		On Board Media	7
		Sandbox Post Production	263
		Seven Network (Operations) Limited	55
		Smoothfm 91.5 Pty Limited	57
		Travmedia.Com Pty Ltd	6
		UBM (UK) Ltd	6
			10,541

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 three years.

Tourism WA staff receive induction and ongoing training in relation to the agency's record-keeping policies, practices and procedures. The training program is monitored and reviewed by the Chief Information Officer and is working well within the agency.

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 and work has commenced to develop a new plan.

Disability Access and Inclusion Plan Outcomes

Tourism WA's Disability Access and Inclusion Plan is in accordance with the legislative framework.

The seven desired outcomes in the plan 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. A new five-year (2017-2021) Disability Access and Inclusion Plan has been developed and implemented by Tourism WA and includes all outcomes required under the legislation.

During 2016-17, 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 to support 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, it facilitates the desired access and inclusion outcomes expressly or implicitly set out in Tourism WA's Disability Access and Inclusion Plan. Specifically, the event holder must do all things reasonable to ensure that there are sufficient facilities at the venue for persons with disabilities to attend and maximise their enjoyment of the event.

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

Tourism WA maintains its Perth office 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 websites to facilitate stronger alignment with W3C online standards.

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

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

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

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

All existing complaint mechanisms meet the needs of people with disabilities and Tourism WA's websites provide 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 through survey organisations and other research bodies. Tourism WA reminds all staff and survey organisations of this requirement under the Disability Access and Inclusion Plan, including the ability to provide the same opportunities for people with disabilities to be involved in any public consultation.

Outcome 7 - People with disabilities have the same opportunities as other people to be employed by Tourism WA.

Tourism WA's recruitment and employment policies and practices reflect the aim of having a diverse workforce. Tourism WA also captures accurate demographic and disability data from its employees.

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.

During 2016-17, no breach claims against the public sector standards were substantiated. No reports of non-compliance were lodged with respect to the Code of Ethics or the Tourism WA Code of Conduct.

To ensure the principles of Tourism WA's Code of Conduct are well understood and promoted, the agency has undertaken the following:

- Tourism WA's Code of Conduct was reviewed during 2016-17.
- Experienced recruitment consultants are used for all long-term and permanent selection processes, with the internal human resource team reviewing all selection reports before consideration by senior line management.
- Continued delivery of the Accountable and Ethical Decision-Making Training Program for all new employees, with current employees attending every two years. The program aims to equip employees to deal with situations or issues that they may encounter in their roles in an appropriate and accountable manner.
- Information about the Code of Ethics and Code of Conduct are included in new employee induction packs, and are accessible for all employees via the Tourism WA intranet.
- All employees are informed of new and revised policies, which are available to all employees via the Tourism WA intranet.

4.8 GOVERNMENT POLICY REQUIREMENTS

Occupational Safety, Health and Injury Management

Tourism WA's Executive Management Team is committed to providing and maintaining a safe and healthy working environment for all employees, vocational students, contractors and visitors.

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

An external review of Tourism WA's Occupational Safety and Health systems will be undertaken during 2017-18.

2016-17 was the final year of Tourism WA's Occupational Safety and Health Management Plan 2014 – 2017 which led to the development of the Tourism WA's Occupational Health and Safety Management Plan 2017 – 2020. Other initiatives included self-assessment against the WorkSafe Assessment tool; review of the Occupational Health and Safety policy and guidelines; continuation of a regular program of worksite and vehicle inspections; and providing access to Employee Assistance Program.

Performance indicators for 2016-17

Measure	2014-15	2015-16	2016-17	
			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:				
(i) within 13 weeks	N/A	N/A	Greater than 80% for (i)	N/A
(ii) within 26 weeks	N/A	N/A	& (ii)	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	84%	79%	Greater than 80%	69%*

*Includes employees acting in managerial roles as at June 30, 2017.

Workers' compensation

Tourism WA continues a practical claims management approach by focusing on injury management and rehabilitation.

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

Tourism WA's Injury Management System is implemented when any work-related injury or illness 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.



Margaret River

Notes:





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