



Department of
Jobs, Tourism, Science
and Innovation

Tourism
WESTERN AUSTRALIA

T O U R I S M W E S T E R N A U S T R A L I A
A N N U A L R E P O R T 2 0 1 9 - 2 0

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ACKNOWLEDGMENT OF COUNTRY

Tourism Western Australia acknowledges the Traditional Custodians throughout Western Australia and their continuing connection to the land, waters and culture. We pay our respects to all Aboriginal peoples and their Elders, past, present and emerging.

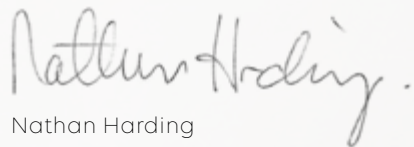
MESSAGE TO THE MINISTER

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

Dear Minister

In accordance with Section 63 of the *Financial Management Act 2006*, it is my pleasure to submit for your information and presentation to Parliament, the Annual Report of the Western Australian Tourism Commission (operating as Tourism Western Australia) for the year ended June 30, 2020.

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



Nathan Harding
CHAIRMAN
TOURISM WESTERN AUSTRALIA

August 28, 2020





LITTLE BEACH, ALBANY

R E C O R D

\$ 1 1 B I L L I O N

V I S I T O R

S P E N D I N 2 0 1 9

24.2 MILLION
DAY TRIPS

WERE TAKEN IN WA

12 MILLION

OVERNIGHT VISITORS
CAME TO OR TRAVELLED

WITHIN WA

THESE VISITORS

S P E N T

\$11 BILLION

Source: Tourism Research Australia, International and National Visitor Surveys, Year Ending December 2019

1.0 OVERVIEW

1.1 Executive Summary

MESSAGE FROM THE CHAIRMAN

This has been a year of celebratory highs and unprecedented challenges for Tourism WA and our industry.

In just a few months, the WA tourism industry went from celebrating its highest visitor numbers and record \$11 billion spend in 2019, to a complete industry shutdown with the onset of the COVID-19 global pandemic in 2020.

The hardship faced by the tourism industry with border closures has been devastating, with businesses losing income and staff, and some sadly closing their doors.

As a result of the COVID-19 pandemic, the Board shifted its focus to support our industry's operators and ensure a sustainable tourism industry in the future. We want to make sure that when it is safe for people to travel again, our industry has remained viable and is able to reactivate the quality tourism experiences Western Australia is world-renowned for.

In April, Tourism WA launched an Industry Support Team, which contacted more than 700 operators across the State to see how they were coping, provide advice and be informed of issues that may help guide possible future support or recovery initiatives. In May, we announced the \$14.4 million WA Tourism Recovery Program in two stages. The first was to provide immediate financial support to small and micro tourism operators around the State, to adapt and refocus their businesses in the new environment. The second was a program of larger grants for tourism businesses suffering extreme hardship.

The easing of WA regional border travel restrictions in June presented an opportunity for more West Australians to holiday in WA instead of going interstate or overseas and, in turn, support the local economy, businesses and jobs. To encourage West Australians to explore their own backyard and seek out new experiences across the State, Tourism WA launched a major intrastate campaign – *Wander out Yonder*. With a \$2 million investment in media and partnerships, the campaign includes targeted cooperative marketing campaigns and holiday offers.

The Tourism WA Board is now focused on recovery efforts, in line with the State Government's WA Recovery Plan. This will ensure that when the time is right, we are the destination of choice for holiday makers, and once again attract record visitor numbers and visitor spend to grow jobs and the WA economy.

There is still uncertainty around when domestic and international travel will be permitted, and the impacts border restrictions will have on our industry.

However, it is important to acknowledge the achievements in 2019-20 that laid the ground work for a strong tourism industry pre-COVID-19. Much of the Board's focus in 2019 was on maximising the return on investment to the State through the implementation of the *Two-Year Action Plan for Tourism in Western Australia - 2018 and 2019*.

Thanks to the success of the plan, we entered 2020 in a strong position as a tourism destination, and this will be used to our advantage when we are once again open for business.

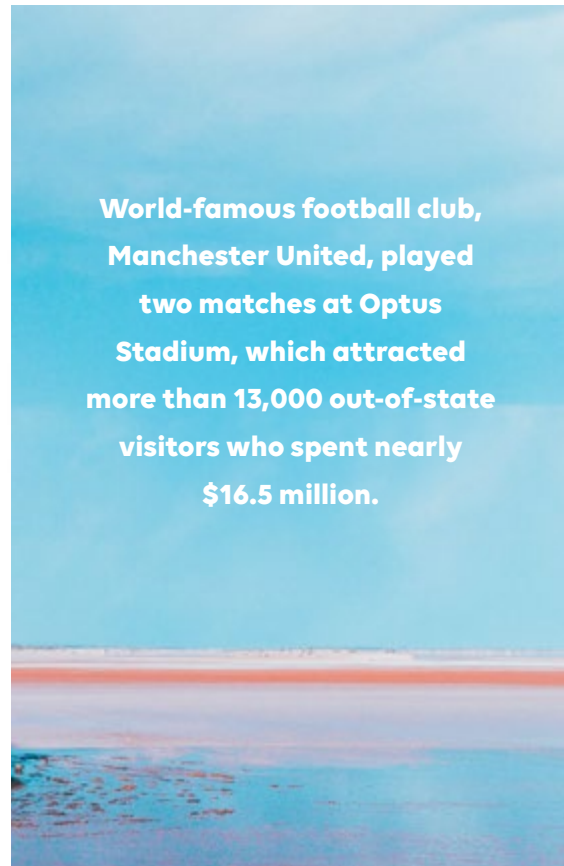
1.0 OVERVIEW

Our goal to become the western gateway to Australia was strengthened as we welcomed direct flights between Japan and Perth in September 2019, as well as Shanghai and Perth in January 2020.

We also implemented major campaigns with our cooperative marketing partners to attract visitors from our key international markets as part of the \$12 million international marketing boost, of which \$9 million was allocated in 2019-20.

Our drive to change perceptions of Perth and reignite the east coast market was further cemented thanks to our successful 2019 AFL marketing campaign, which attracted more than 23,800 interstate visitors who spent close to \$26 million in WA.

Following a successful Australian Tourism Exchange in Perth in 2019, WA hosted other major travel trade events – Corroboree West and Dreamtime. These events welcomed hundreds of agents to the State which helped promote WA and Perth's transformation.



In addition, we held some of the biggest national and international sporting events in 2019-20. World-famous football club, Manchester United, played two matches at Optus Stadium, which attracted more than 13,000 out-of-state visitors who spent nearly \$16.5 million. More than 61,000 fans also flocked to the Bledisloe Cup match in August, setting an attendance record for a sporting event at Optus Stadium. Close to 7,400 visitors from outside WA travelled to Perth, spending more than \$12.5 million.

The success of the Two-Year Action Plan demonstrates the underlying strength of WA's tourism industry and provides hope for the industry's recovery from the COVID-19 pandemic.

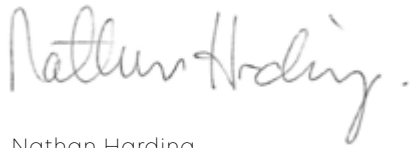
As we continue to work through the challenges that COVID-19 has presented, I would like to extend my thanks to the Board for its ongoing guidance.

I would also like to acknowledge the State Government, in particular the Premier, the Hon Mark McGowan MLA, and the Minister for Tourism, the Hon Paul Papalia CSC MLA, for their support in helping the industry during the COVID-19 pandemic.

1.0 OVERVIEW

In addition, I would like to sincerely thank Tourism WA staff for all their hard work, professionalism and commitment during this difficult and challenging time.

Finally, to our incredible tourism industry, I know it has been tough, but we will get through this. We have many dedicated operators, authentic and amazing experiences and products right here on our doorstep, and a strong foundation to grow tourism in WA. This will all play to our advantage as we work together to rebuild our industry and regain our pre-COVID-19 momentum.



Nathan Harding
CHAIRMAN
TOURISM WESTERN AUSTRALIA

August 28, 2020

LAKE BALLARD



1.0 OVERVIEW

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

This financial year, and the year 2020, will forever be viewed through the lens of COVID-19.

It has been a year of unexpected changes for the tourism industry. No one could have predicted a global pandemic and the extraordinary measures that had to be taken to protect our community and minimise the impact of COVID-19 on the State.

For many in the tourism industry, it has deeply affected their livelihood.

I am extremely proud of the resolve our industry has shown, and how Tourism WA has responded to these circumstances.

I would like to acknowledge the excellent leadership of Rebecca Brown, as the Tourism WA Chief Executive Officer and the Department of Jobs, Tourism, Science and Innovation (JTSI) Director General, before being appointed to the Department of the Premier and Cabinet (DPC) on March 30, 2020 as Acting Director General.

During her tenure at JTSI, Tourism WA was beginning to reap the rewards of a *Two-Year Action Plan for Tourism* that had mapped out a clear pathway and objectives for WA to maximise tourism growth and create jobs.

Our tourism industry was valued at a record \$11 billion and our State's growth rate for international holiday visitors and spend outstripped all other states and territories in the nation.

The WA Government made tourism a priority in the 2019-20 Budget, in recognition of the potential for the industry to become an economic powerhouse for the State, creating jobs and growth, particularly in regional areas.

Significant allocations were made by the Government towards tourism initiatives and cross-government projects with tourism at the forefront, including an injection of \$16.2 million for infrastructure on Rottnest Island, \$10 million for Collie Adventure Trails and \$3.6 million for Aboriginal tourism initiatives.

This investment proved beneficial for the hard times to come, as the progression of these, or alternative projects, will contribute to cushioning the impact of the COVID-19 outbreak on the State's economy.

In March, Tourism WA staff made the move from their former Mill Street premises to co-locate with the wider JTSI agency at One William Street. This has made it even easier for us to work together and proved particularly valuable in the fast-moving early days of the COVID-19 outbreak, which coincided with the move.

No sooner had Tourism WA staff relocated to One William Street, than some were seconded to contribute their skills and expertise to DPC's world-leading response, to manage the impact of COVID-19 on the State.

I continue to be delighted at the feedback I have received regarding their valuable contribution, as I am with the work of all at Tourism WA who have responded incredibly well and proven their adaptability during a crisis.

No industry was hit harder than tourism by the challenges of COVID-19. JTSI, and in particular Tourism WA, were forced to revisit future plans in line with the WA Government's key priorities, including economic resilience and recovery.

For Tourism WA, this led to the development of a three-phase strategy, with the first phase an immediate effort to sustain industry operators with emotional and practical support through the formation of an Industry Support Team. The second and third phase were about sustaining our industry and future, and a key element of this was the launch of the \$14.4 million WA Tourism Recovery Program in May.

1.0 OVERVIEW

Economic recovery is now a priority of the WA Government, which in May announced a State Recovery Advisory Group, of which I am a member, to guide WA's COVID-19 recovery.

The group has representatives from a wide range of important sectors, who have provided input into the WA Government's Draft Impact Statement, designed to inform recovery activities.

The Statement, released on June 9, 2020, focuses on five recovery areas: industry, economic and infrastructure, social, health and regions.

As the lead Director General for the Industry Recovery Plan, I have a unique perspective on how COVID-19 has affected all industries throughout the State, including tourism. While the impacts have been far-reaching, I am impressed with the teamwork and innovation this crisis has forced upon us.

The pandemic response has rightly taken priority for our Government, delaying the 2020-21 Western Australian State Budget announcement until October.

It will be a difficult budget to deliver, however tourism and its potential to reinvigorate the economy means it is an area of focus for Government.

While we won't come out of this pandemic unscathed, WA is poised to fare well compared to other parts of Australia.

Our Government has provided clear direction for a path forward and our people are proving to be our best asset, with industry operators and tourism staff showing both resilience and ingenuity.

I would like to extend my thanks to Managing Director Brodie Carr, the Executive Management Team and Tourism WA staff for their hard work during the year and ongoing commitment to our recovery efforts.

By working together, we will ensure we are in the best position possible for the year ahead.



Richard Sellers
A/CHIEF EXECUTIVE OFFICER
TOURISM WESTERN AUSTRALIA

August 28, 2020

NINGALOO REEF



1.0 OVERVIEW

1.2 Operational Structure

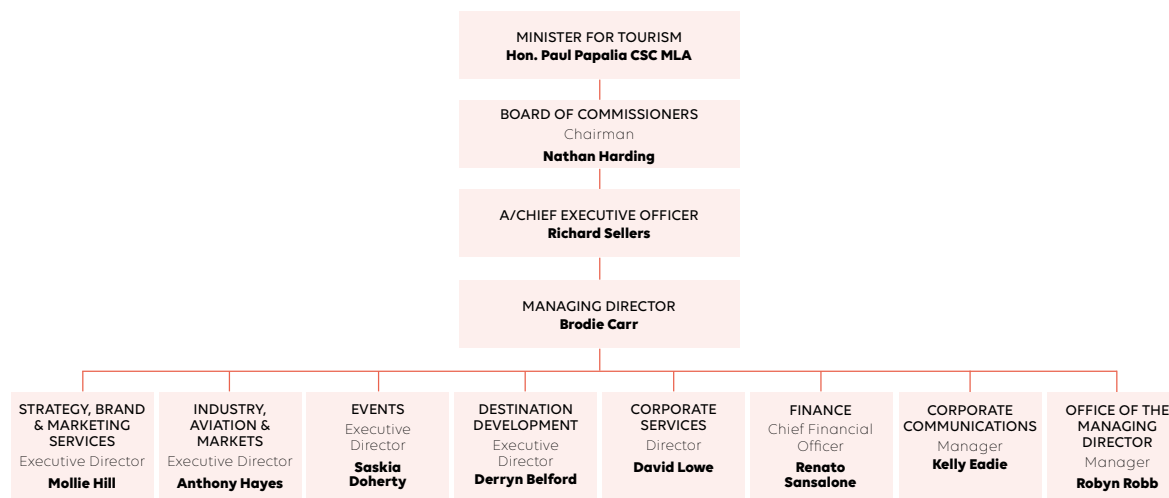
Enabling legislation

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

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

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

Organisational Chart



KARIJINI NATIONAL PARK

1.0 OVERVIEW

Responsible Minister

The Minister responsible for Tourism WA during 2019-20 was the Hon Paul Papalia CSC MLA.

Our vision

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

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

Other key legislation

Key legislation impacting on our operations includes:

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

Board of Commissioners

Tourism WA is governed by a Board of Commissioners appointed under the *Western Australian Tourism Commission Act 1983* and can include up to 10 members. The Board is the accountable authority and responsible for the outcomes of Tourism WA; it sets the strategic direction of the agency and goals for management. The Board delegates day-to-day operations to the Chief Executive Officer. During 2019-20, the Board was made up of the following members.

- Nathan Harding – Chairman
- Manny Papadoulis – Deputy Chairman
- Di Bain
- Kevin Brown
- Valerie Davies
- Bruce Davis*
- Kia Dowell
- Tracey Horton AO
- Karen Priest
- Linda Wayman

Board members' biographies are available at tourism.wa.gov.au.

Tourism WA Board meetings and attendance

In 2019-20, seven Board meetings were held. Attendance was as follows:

	Meetings attended	Meetings eligible to attend
Nathan Harding	7	7
Manny Papadoulis	7	7
Di Bain	7	7
Kevin Brown	7	7
Valerie Davies	7	7
Bruce Davis*	1	2
Kia Dowell	7	7
Tracey Horton AO	7	7
Karen Priest	7	7
Linda Wayman	7	7

*Term commenced October 15, 2019, resigned January 16, 2020

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 an agency Interest Register is maintained on an ongoing basis.

1.0 OVERVIEW

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.

Board sub-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 appointed sub-committees:

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

Executive Management Team

Tourism WA is a State Government statutory authority and part of the broader economic development portfolio of Jobs, Tourism, Science and Innovation. The department became the employing authority of Tourism WA's employees on July 1, 2017. As at June 30, 2020, the Executive Management Team comprises:

- Richard Sellers (A/Chief Executive Officer)
- Brodie Carr (Managing Director)
- Saskia Doherty (Executive Director Events)
- Mollie Hill (Executive Director Strategy, Brand and Marketing Services)
- Anthony Hayes (Executive Director Industry, Aviation and Markets)
- Derryn Belford (Executive Director Destination Development)
- David Lowe (Director Corporate Services)
- Renato Sansalone (Chief Financial Officer)
- Kelly Eadie (Manager Corporate Communications)
- Robyn Robb (Manager Office of the Managing Director)
- Carroll Selwood (Manager Executive Services)

Changes to the Executive Management Team

The following changes were made to Tourism WA's Executive Management Team during 2019-20:

- Current Chief Executive Officer of Tourism WA Rebecca Brown commenced as Acting Director General of the Department of the Premier and Cabinet in March 2020.
- Richard Sellers was appointed Acting Chief Executive Officer of Tourism WA in March 2020.
- Anthony Hayes was appointed Executive Director Industry, Aviation and Markets in April 2020.
- David Lowe was appointed Director Corporate Services for the Department of Jobs, Tourism, Science and Innovation in July 2019.

Executive Management Team biographies are available at tourism.wa.gov.au.

HUTT LAGOON



1.0 OVERVIEW

1.3 Performance Management Framework

1.3.1 OUTCOME-BASED MANAGEMENT FRAMEWORK

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table demonstrates the relationship between Tourism WA's services and desired outcomes, and the Government goal of 'Future jobs and skills.' Key effectiveness indicators measure the extent of impact of the delivery of services on achieving desired outcomes, and key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government goal:**Future jobs and skills**

Grow and diversify the economy, create jobs, and support skills development.

Desired outcome

Increased competitiveness and viability of the Western Australian tourism industry.

Services

- 1 Destination Marketing
- 2 Event Tourism
- 3 Tourism Destination Development

Tourism WA's results against performance indicators are audited by the Auditor General. Our results are summarised in the 'Key Performance Indicators' section of this report.





1.3.2 CHANGES TO OUTCOME-BASED MANAGEMENT FRAMEWORK

Tourism WA's outcome-based management framework did not change for 2019-20.

1.3.3 SHARED RESPONSIBILITIES WITH OTHER AGENCIES

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

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

1.0 OVERVIEW

Tourism WA works with those agencies in the following ways:

- A member of a number of Regional Development Commission-led committees for the development and implementation of regional tourism initiatives, such as the Mid-West, Gascoyne, Pilbara and Kimberley.
- Participates in a number of cross-government working groups investigating a range of destination and product experience development projects including:
 - Board memberships: Swan Bells Foundation (Minister for Tourism representative); National Trust WA (Tourism WA's appointed councillor); Gravity Discovery Centre (Tourism WA appointee).
 - Advisory/steering committees: Albany Bicentenary Committee; National ANZAC Centre; Perth Convention and Exhibition Centre Master Plan; State Cycling Strategy; Attractions and Partnerships Project Group; Geraldton Alternative Settlement Agreement; Australian Regional Tourism.
 - Working groups: Pickering Brook and Surrounds Sustainability and Tourism Strategy; Victoria Quay Steering Group; Perth Water Precinct Vision; Minninup Pool Tourism Precinct; Murujuga Living Knowledge Centre; Broome Cultural Centre; Dampier Peninsula State Steering Group; Trails Reference Group and Iconic Trails subcommittee; Exmouth Wharf Investigation; Kimberley Cultural Centre; Abrolhos Islands Working Group; Dwellingup and Collie Adventure Trails Hubs; and The Governor's Round Table Digital Action Plan Working Group.
 - Hosts (and is the secretariat to) the Cruise WA Committee – a cross-industry and government committee directing the implementation of the WA Cruise Shipping Strategic Plan.
 - Lead agency for the Camping with Custodians program, which during the planning and land assembly of campgrounds involves working with a range of State and Local Government planning, regulatory and service provision agencies.
 - Lead agency in developing the State's Aboriginal Tourism Action Plan – working with a range of agencies including the Department of the Premier and Cabinet; Department of Biodiversity, Conservation and Attractions; Department of Training and Workforce Development; Department of Local Government, Sport and Cultural Industries; Department of Primary Industries and Regional Development; as well as Australian government agencies and the WA Indigenous Tourism Operators Council.
 - Chairs the City Activation Working Group which includes Development WA, Australian Hotels Association (WA), the City of Perth and Activate Perth. The working group's role is to ensure the city is activated during major events.
 - Recognises, and participates where possible in, whole-of-government initiatives, including the building and sharing of the capacity and capability of the WA Public Sector workforce.

CYGNET BAY PEARL FARM



1.0 OVERVIEW

1.3.4 TWO-YEAR ACTION PLAN FOR TOURISM WESTERN AUSTRALIA – 2018 AND 2019

2019-20 marked the final year of the *Two-Year Action Plan for Tourism Western Australia – 2018 and 2019*, which resulted in many positive tourism outcomes for the State, including record visitor numbers and spend.

The plan was developed following a funding commitment in the 2017-18 State Budget of \$425 million over five years for Destination Marketing and Event Tourism. The funding certainty, together with the remarkable transformation of Perth with new, more affordable hotels and infrastructure such as Optus Stadium, opened many opportunities to help grow tourism in the State.

The plan identified four focus areas that would work together to make the most of this unique tourism opportunity:

- 1 Grow the number of people travelling to WA from overseas and increase direct flights to the State;
- 2 Grow the number of interstate visitors, in particular from the east coast, by changing the perceptions of Perth to an affordable, vibrant destination;
- 3 Attract more people, more often to regional WA through marketing, exciting events, cruise shipping and Aboriginal tourism development; and
- 4 Intensify promotional activity in key target markets to encourage travel.

The plan and its implementation have proven successful, with WA's tourism industry breaking records in 2019. Overall, 24.2 million day trips were taken in Western Australia and 12 million overnight visitors came to, or travelled within, the State in 2019. Together these visitors spent \$11 billion in the State, \$5.2 billion or 48 per cent, of which was spent in regional WA.



In particular, the number of international holiday visitors increased by 10.1 per cent to 536,400.

These visitors spent \$870 million - an increase of 13.7 per cent. This was the highest ever number of international holiday visitors to WA and the strongest growth rate in international holiday visitors and spend of all states and territories in 2019.

Interstate records also continued to be broken with the number of interstate holiday visitors rising 21.4 per cent to 501,100 and interstate holiday spend increasing 30.4 per cent to \$857 million.

These results show that the Two-Year Action Plan helped to increase visitor spend, attracted more people to Western Australia, and encouraged them to stay longer and go further.

In 2019-20, Tourism WA started developing a long-term strategy for tourism beyond 2020, however this was paused due to COVID-19. The agency is now working on a tourism recovery plan to ensure a sustainable tourism industry in the future.

The outcomes of the Two-Year Action Plan laid the groundwork for a robust tourism industry, and thanks to its success, we entered 2020 in a strong position as a tourism destination. We will continue to work hard towards recovery to ensure the industry is well-positioned to bounce back when the time is right.

LAKE ARGYLE, THE KIMBERLEY

536,400

HIGHEST EVER NUMBER OF

INTERNATIONAL

HOLIDAY

VISITORS TO WA



2.0 AGENCY PERFORMANCE

2.1 Report on Operations

Tourism WA is responsible for promoting WA as an extraordinary holiday and event destination. We aim to build WA into a highly desirable destination by delivering strong and sustainable growth across key tourism markets.

The four focus areas of the *Two-Year Action Plan for Tourism in Western Australia* guided the activities of Tourism WA in 2018 and 2019, and our three service areas – Destination Marketing, Event Tourism and Tourism Destination Development – helped deliver these goals.

Through our marketing divisions, we aim to develop the State's tourism brand, build awareness and consideration of WA as a destination, and increase the number of visitors to the State. The divisions' role is to convince people a holiday in WA will give them a unique experience they won't find anywhere else in the world. In addition, we focus on growing aviation access into and around the State.

The Events Division develops, sponsors and promotes a diverse range of sporting, arts, cultural and culinary events that highlight everything WA has to offer as a destination. It actively bids for major international events to attract significant numbers of international and interstate visitors, which results in a positive economic impact for WA and helps to showcase the State.

Our Destination Development Division works across government and industry to improve access, accommodation and tourism experiences in WA. Major focus areas include Aboriginal tourism, cruise tourism as a means of dispersing visitors around the State, and supporting private sector investors with significant tourism projects to navigate government approval processes.

As well as the work the agency performs, Tourism WA provided \$12.3 million in 2019-20 to partner organisations to attract business events, conduct intrastate and international marketing, promote Aboriginal tourism and help visitors at the WA Visitor Centre. Funding was also provided to the Australian Hotels Association (WA) to deliver a Hospitality and Tourism COVID-19 Hygiene Course.

Tourism WA also supported tourism product capability, competitiveness and sustainability through grants and services agreements worth \$6.4 million to councils, shires, other government agencies and Tourism Council WA. This includes grants to small and micro tourism businesses under the WA Tourism Recovery Fund (as a response to COVID-19 impacts on the tourism industry).





ZEBEDEE SPRINGS, EL QUESTRO

TOURISM WA'S
3 SERVICE
AREAS

DESTINATION MARKETING

EVENT TOURISM

TOURISM DESTINATION DEVELOPMENT

2.0 AGENCY PERFORMANCE

The success of the Two-Year Action Plan would not have been possible without collaboration with our partners. These are the five Regional Tourism Organisations, Business Events Perth, the WA Indigenous Tourism Operators Council and Tourism Council WA.

The Two-Year Action Plan concluded in 2019-20, and below are the achievements that Tourism WA delivered that year against the four focus areas of the plan.

1. WE WILL POSITION WESTERN AUSTRALIA AS THE WESTERN GATEWAY TO AUSTRALIA

Tourism WA worked hard to position the State as the western gateway to WA, focusing on increasing visitors from high-growth Asian markets by securing more direct flights, especially from China and Japan. In addition, a \$12 million boost to international marketing, of which \$9 million was allocated in 2019-20, enabled a number of campaigns to be run promoting Perth as Australia's primary entry point from key markets and further leverage Qantas' London-Perth direct flights. The opportunity to host major trade shows in Perth allowed Tourism WA to showcase the State to travel trade, and our support to grow the cruise shipping sector resulted in new homeporting announcements and cruise ship visits to our 10 unique and diverse port destinations.

In 2019-20, the following was achieved in helping to position WA as the western gateway to Australia:

International holiday visitation

2019 marked the highest number of international visitors on record, with growth of 3.3 per cent to 995,700 visitors travelling to WA. This growth was driven by the holiday sector, increasing 10.1 per cent to 536,400 visitors – a new record for WA. Holiday spend grew by 13.7 per cent to \$870 million, driven by strong visitation, increased average daily spend and average length of stay. WA's growth rate in international holiday visitation and spend outstripped all the states and territories, with WA's market share of international holiday visitors to Australia growing to 11.4 per cent, and spend increasing to 9.1 per cent.

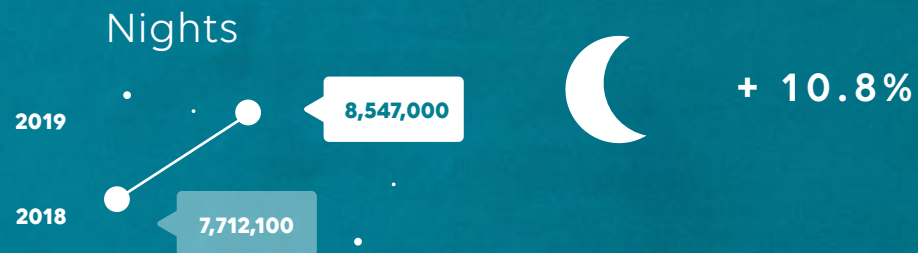
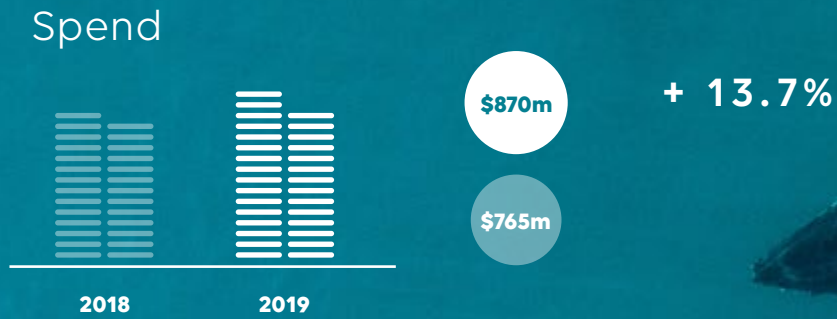
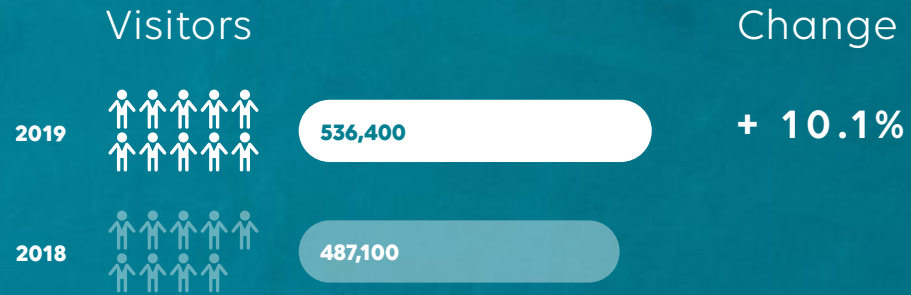
International cooperative marketing

During 2019-20, Tourism WA partnered with 130 international travel companies and airlines on 72 international cooperative marketing campaigns. Tourism WA invested \$6.4 million, with industry partners contributing \$6.7 million. This resulted in 78,950 visitors to WA who spent \$163 million, and a return on investment of 32:1.

International marketing boost

In 2019, the State Government announced a \$12 million boost to Tourism WA's international marketing over the next two years, to further attract holidaymakers to WA. The \$12 million funding, of which \$9 million was allocated in 2019-20, would enable Tourism WA to implement cooperative marketing campaigns with airlines and travel companies; partnerships with key Perth hotels for stopover programs; and extend existing campaign activity. However the global impact of COVID-19 has affected our international marketing activities, which have been paused and will be re-evaluated once we know the full impact of the pandemic.

INTERNATIONAL HOLIDAY VISITORS AND SPEND IN WA



2.0 AGENCY PERFORMANCE

Major international marketing activities included:

- Major partnership with Ma Feng Wo, one of the largest user generated platforms in China, was expected to reach millions of Chinese consumers. More than 4,600 bookings were reached before being paused due to COVID-19.
- Campaign with Singapore's Dynasty Travel featured large-scale images of WA on four train carriages on Singapore's busy North East Mass Rapid Transit (MRT) train line and the Serangoon MRT station.
- Cooperative marketing campaign with Chan Brothers in Singapore promoted campervan road trips to explore WA's regional areas.
- Marketing agreement between Tourism WA and the Dnata Travel Group promoted Perth as the primary entry point to Australia across Dnata's travel brands to encourage more visitors from the UK. The partnership resulted in nearly 5,600 bookings before being paused due to COVID-19.
- Biggest campaign ever with Trailfinders (UK's largest operator to Australia) showcased Perth as an affordable destination before travelling to the east coast. The campaign generated an economic impact of \$13 million.
- Tourism WA partnered with Signature Travel Network, Virtuoso, Expedia and Helloworld to promote luxury travel from the USA to WA, aligned with Tourism Australia's 'There's Nothing Like Australia' campaign. The campaign was paused due to COVID-19.
- Campaign with one of the largest tour operators in Europe, FTI Touristik, promoted holidays in WA to German and Swiss visitors. The campaign reached more than half of its target bookings before being paused in March due to COVID-19.
- Campaign with European travel agency, Boomerang Reisen, also encouraged Swiss and German visitors to experience WA.



NINGALOO REEF

PARTNERED WITH 130

TRAVEL COMPANIES AND AIRLINES ON

72 INTERNATIONAL

MARKETING CAMPAIGNS WHICH

ATTRACTED 78,950

VISITORS WHO SPENT

\$163 MILLION

IN WESTERN AUSTRALIA

2.0 AGENCY PERFORMANCE

International aviation

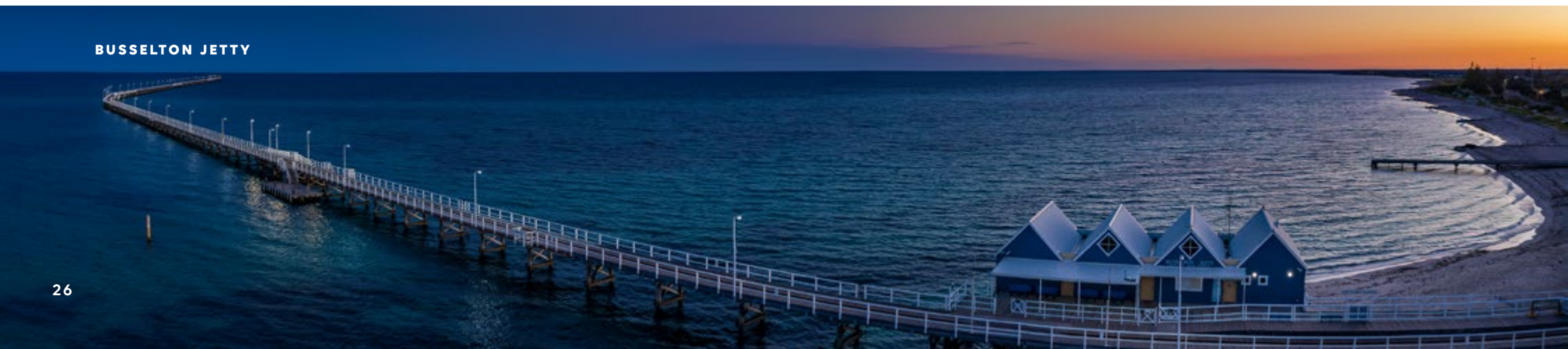
Tourism WA and Perth Airport, known as 'Team Perth', regularly work together to develop international aviation, which is vital to boosting visitors to WA. Building on foundations laid in previous years, Team Perth saw a number of key projects come to fruition in 2019-20 that grew aviation access to the State. However, the onset of the COVID-19 global pandemic in February 2020 had a major impact on the aviation industry. Given the majority of arrivals into WA is by air, re-establishing and re-growing air services when the time is right has been identified as a key priority.

- **All Nippon Airways:** All Nippon Airways (ANA) launched direct flights between Tokyo and Perth in September 2019, adding more than 134,000 seats into the market. It is the first time since 2011 there has been a direct flight between WA and Japan. Despite ANA having only operated for six full months, visitation to

WA from Japan grew 39 per cent in the year ending March 2020, bucking the national trend of declining visitation from Japan.

- **China Eastern Airlines:** China Eastern Airlines' first-ever seasonal trial flight between Perth and Shanghai landed at Perth Airport in January 2020. The five-week trial was set to be a resounding success, with an average load factor of more than 80 per cent on the flights before it was halted early due to COVID-19. The seasonal trial was a partnership between Tourism WA, Perth Airport, Tourism Australia and the airline.
- **Philippine Airlines:** Philippine Airlines' direct flights from Manila were scheduled to begin March 30, 2020 but were postponed due to COVID-19. The airline was due to fly direct from Manila to Perth four times a week, adding an additional 34,944 seats into the Perth market per year. The launch of the flights was thanks to a partnership between Philippine Airlines, Perth Airport and Tourism WA.
- **Singapore Airlines:** Singapore Airlines, the largest carrier of international passengers to the State, announced it would operate a fifth-daily service to Perth starting from June 2020. The additional flight would have added around 2,100 seats per week to Perth's inbound market or more than 110,000 seats per year. This additional flight was built on a previously secured three-year cooperative marketing deal with the airline to promote WA globally as a desirable holiday destination.
- **Cathay Pacific:** Tourism WA supported Cathay Pacific to increase capacity into Perth by upgrading its daily Hong Kong service to an A350-1000 between late October 2019 and March 2020. This added more than 8,300 seats into Perth.

BUSSELTON JETTY



2.0 AGENCY PERFORMANCE

Travel trade events

Western Australia hosted two major travel trade events in 2019-20, providing the opportunity to showcase the State and ensure agents are educated about what we offer.

- **Corroboree West:** In October 2019, Tourism WA and Tourism Australia co-hosted Corroboree West in Perth. The event attracted around 300 qualified Aussie Specialist Agents from key markets such as the UK, Europe, USA, Canada and New Zealand who actively sell Australia as a preferred long haul destination. Tourism WA hosted 28 familiarisations across Perth and WA's regions, giving agents first-hand experience of what WA has to offer to enhance their ability to promote the State as a holiday destination.
- **Dreamtime 2019:** Business Events Perth, in partnership with Tourism Australia, hosted Dreamtime 2019 in December, to promote Australia's event destinations and experiences to tourism markets specialising in meetings, incentives, conferences and events. The event is the largest of its kind in the nation and attracted more than 80 Australian industry sellers; 100 international buyers from Japan, South Korea, Greater China, India, Singapore, Malaysia, Indonesia, the UK, New Zealand and North America; and 16 international and domestic media representatives. Buyers were also given the opportunity to experience the world-class attractions and unique experiences of Perth and surrounds.

KARIJINI ECO RETREAT



2.0 AGENCY PERFORMANCE

Cruise shipping

Cruise shipping helps to disperse visitors around the State and showcases WA's unique onshore experiences and attractions available at WA's 10 diverse port destinations. Tourism WA heavily promoted the State's port destinations to international cruise lines, which helped set the industry up for a thriving year before the outbreak of the COVID-19 pandemic.

- **Homeporting announcements:** Princess Cruises' *Sun Princess* arrived in Fremantle in November 2019 to begin its homeporting season for a record 141 days, injecting an estimated \$32 million into WA's economy. Cruise & Maritime Voyages' *Vasco De Gama*, with a 1,220 guest capacity, also called Fremantle home from January to February 2020.
- **WA Cruise Exchange:** The fifth WA Cruise Exchange, hosted by Tourism WA in July 2019, attracted 19 cruise industry participants including eight cruise line executives, Australia's four main shore-excursion ground handlers, and Journey Beyond with its Rail and Sail product. The event enabled cruise industry leaders to learn about WA's on-shore activities and visit some of the port destinations, including Albany, the Coral Coast and Burrup Peninsula, with the aim of including them in future itineraries.

2. WE WILL CHANGE PERCEPTIONS OF PERTH & REIGNITE THE EAST COAST MARKET

Perth has undergone a significant transformation in recent years, and changing the perception of the city and positioning it as an affordable and vibrant tourism destination was a key priority for Tourism WA. In 2019-20, we held important trade events such as Corroboree West and Dreamtime, which further helped to promote the 'new' Perth to hundreds of key travel representatives. In addition, we hosted a number of blockbuster events which not only gave interstate and international visitors a reason to visit the State, but also provided us with the opportunity to showcase our incredible city.

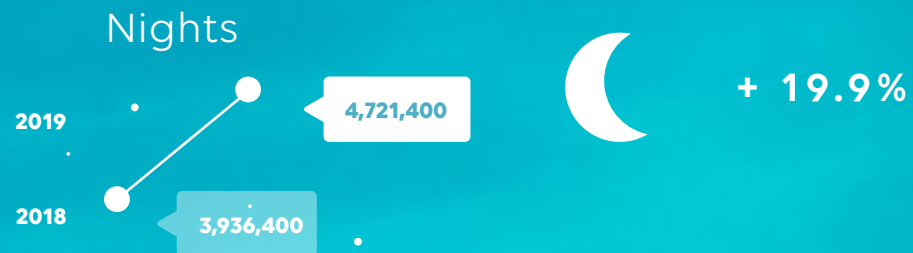
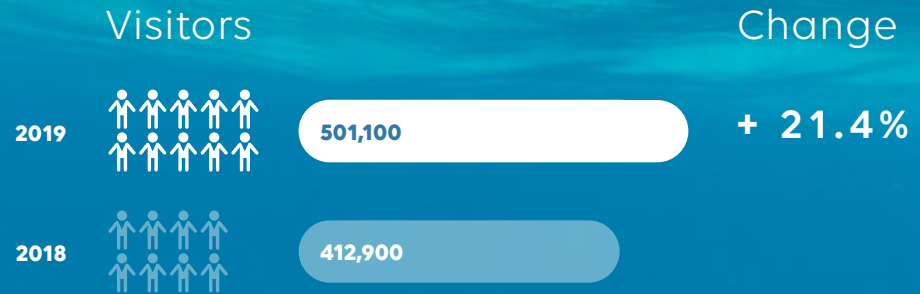
We also helped grow awareness and interest of Perth on the east coast through our creative marketing campaigns and by encouraging more leisure visitors for AFL games at Optus Stadium to stay longer and further explore WA.

In 2019-20, the following was achieved in helping to change perceptions of Perth and grow visitors from the east coast:

Interstate holiday visitation

Interstate holiday visitor numbers and spend were the highest on record for year ending December 2019. The number of interstate holiday visitors rose 21.4 per cent to 501,100 and interstate holiday spend increased 30.4 per cent to \$857 million – the highest growth rate of all states and territories. WA's market share of interstate holiday visitor spend increased 0.8 per cent to 5.9 per cent, while WA's share of interstate holiday visitors increased by 0.4 per cent to 4 per cent.

INTERSTATE HOLIDAY VISITORS AND SPEND IN WA



2.0 AGENCY PERFORMANCE

Marketing campaigns

- Domestic cooperative marketing campaigns:

During 2019-20, Tourism WA delivered 21 domestic cooperative campaigns, contributing more than \$90 million in economic impact. Tourism WA partnered with eight different travel companies to deliver marketing activity that resulted in an average return on investment (ROI) of 74:1, and brought more than 60,000 additional interstate visitors to WA. Our cooperative marketing campaigns were aligned with brand and PR activities to help generate even more visitors to WA. An example of this is featured below through the *Create your own Gourmet Escape* campaign and our partnership with Helloworld Travel. Tourism WA also worked with Virgin, Jetstar and Qantas to deliver a total of 11 airline cooperative marketing campaigns across the year. Domestic cooperative activities were paused in March 2020 due to travel restrictions.

- **MasterChef Australia – WA Week:** Thanks to a partnership between Tourism WA and *MasterChef Australia*, some of the State's best local produce, experiences and destinations were showcased as part of the show's WA Week, which aired nationally in prime time on Network 10 in July 2019. Across five episodes, contestants participated in challenges at a range of WA locations, including Optus Stadium, Perth, the Swan Valley, Margaret River region and Rottnest Island, reaching more than

3.7 million people. In addition, Network 10's catch-up site, 10 Plus, attracted 300,356 viewers, and social media content reached more than 1.4 million people. The episodes were also broadcast internationally in some of our key markets including New Zealand, India and the USA. WA operators reported significant benefits as a result of the episodes, in particular strong social and website engagement.

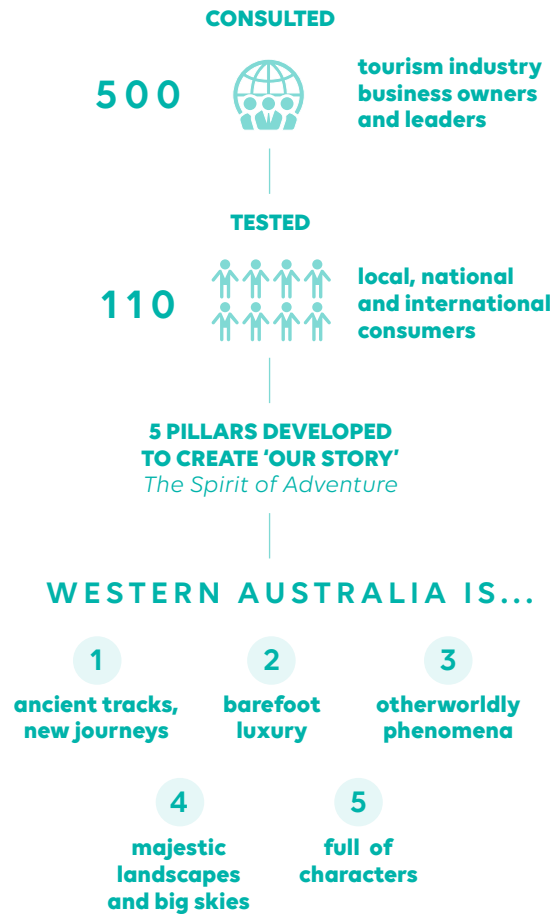
- **Create your own Gourmet Escape campaign:** To leverage the television broadcast of *MasterChef Australia WA week* and help promote the expanded Western Australia Gourmet Escape event, Tourism WA developed a *Create Your Own Gourmet Escape* campaign to encourage east coast viewers to travel to WA. We partnered with Jetstar to promote affordable airfares, and with Helloworld Travel to promote holiday packages with the chance to *Create Your Own Gourmet Escape* through a variety of WA itineraries featuring either Perth or the Margaret River region. Each package included accommodation and local experiences such as watching an AFL game at Optus Stadium, sampling some of the best of Perth's local food scene as part of an Eat Drink Walk Perth tour, learning more about WA wines on a Swan Valley gourmet wine cruise or indulging in an ultimate food and wine experience in Margaret River.

- **AFL tourism:** Optus Stadium has given Tourism WA the ability to increase interstate visitors like never before through the development of marketing campaigns to promote travel to WA for various AFL matches during the season. WA's 23 AFL fixtures for the 2019 season attracted more than 60,000 visitors to Perth, who spent nearly \$60 million. More than 23,800 of these visitors came from interstate and spent close to \$26 million. Visitors from within WA accounted for more than 36,500, spending upwards of \$33.5 million. In 2019, a strong marketing campaign in the eastern states, featuring legendary commentator Dennis Cometti, helped promote travel packages to AFL games in Perth. This campaign involved print, television and digital advertising. Tourism WA also worked with travel groups, including AFL partner Virgin Australia, and Optus Stadium operator VenuesLive, to develop promotional packages.



2.0 AGENCY PERFORMANCE

- **WA Tourism – Our Story: *The Spirit of Adventure***: In 2019-20, Tourism WA developed and launched ‘Western Australia Tourism – Our Story: *The Spirit of Adventure*’. This unique tourism brand story was created following consultation with more than 500 tourism industry business owners and leaders from across the State, and tested with more than 110 local, national and international consumers. Throughout this process, five pillars were developed - Western Australia is ancient tracks, new journeys (Trademark: WAITOC); Western Australia is barefoot luxury; Western Australia is otherworldly phenomena; Western Australia is majestic landscapes and big skies; and Western Australia is full of characters. Put together, these create ‘Our Story: *The Spirit of Adventure*’. ‘Our Story’ will provide the foundation for future Tourism WA marketing campaigns, and inspire our events, destination development, partnerships and policy. ‘Our Story’ belongs to the entire WA tourism industry and Tourism WA has developed a toolkit to encourage industry to integrate it into their marketing, product development and business planning.



2.0 AGENCY PERFORMANCE

World-class events

Tourism WA's events strategy focuses on attracting mass participation events to increase visitors to WA, encouraging more leisure visitors for AFL games to stay longer and further explore WA, and leveraging infrastructure such as Optus Stadium to secure and host major sporting events. In 2019-20, Tourism WA sponsored a number of successful events in the State, which attracted interstate and international visitors, provided a boost to the economy and showcased WA through valuable media exposure.

- **Manchester United Tour:** Thanks to Tourism WA, world-famous Manchester United made Perth their home for 10 days in July 2019, playing local A-league side Perth Glory and traditional rivals, Leeds United. The event was a huge drawcard for interstate and international visitors, with more than 13,000 out-of-state visitors coming to Perth from countries such as the UK, New Zealand, Singapore, Malaysia, USA, Czech Republic, Netherlands and Indonesia. Total visitor spend was nearly \$16.5 million, providing a boost to the economy. Manchester United has one of the biggest supporter bases in the world with more than 659 million fans across the globe, providing invaluable exposure for WA.
- **Bledisloe Cup:** More than 61,000 fans flocked to the Bledisloe Cup match in August 2019, setting an attendance record for a sporting event at Optus Stadium. Close to 7,400 visitors from outside WA travelled to Perth to witness the Wallabies defeat their traditional rivals, the All Blacks. The total spend by visiting rugby fans was measured at more than \$12.5 million. The game, secured by Tourism WA, was broadcast to around 280 million people worldwide, including into WA's key tourism markets of New Zealand, the UK and Japan.
- **NRL Nines:** Thanks to a successful bid by Tourism WA, Perth hosted the National Rugby League (NRL) Nines tournament in February 2020. Playing in Australia for the first time, the event attracted 16 of the men's and four of the women's NRL clubs. The two-day festival attracted 3,783 visitors to WA, who spent more than \$5.7 million, providing a great boost for local businesses and the economy. In addition, the event generated nearly \$40 million in media impact – providing significant exposure to WA.
- **Mass participation events:** Tourism WA supported a number of mass participation events in 2019-20, which attracted more than 9,000 visitors from outside the State, generating 68,325 visitor nights and contributing more than \$16 million to the economy in visitor spend. These events were the Australian Men's Hockey Masters, All Schools Athletic Championships, Ironman WA, Ironman 70.3 and Cape to Cape MTB. Supporting mass participation events was a key priority of the Two-Year Action Plan because they help attract thousands of competitors, officials and supporters, providing a significant boost to the economy.
- **Fed Cup Final:** Perth hosted the Fed Cup Final between Australia and France in November 2019. This was the first time Perth staged the final of the world's largest annual international women's tennis team competition since 1971. Australia's Fed Cup Final team was captained by Perth-based Alicia Molik and spearheaded by Ashleigh Barty. The event attracted 3,242 out-of-state fans to Perth who spent \$4.5 million. The Final was also broadcast Australia-wide and internationally in some of WA's key tourism markets, including Singapore, Hong Kong, Malaysia, Indonesia, USA and New Zealand.

ORD VALLEY MUSTER, KUNUNURRA



2.0 AGENCY PERFORMANCE

- **Perth Festival Highway to Hell:** Tourism WA was a proud sponsor of the 2020 Perth Festival closing event, Highway to Hell, as part of a four-year deal to support Perth Festival's annual headline event until 2023. Canning Highway turned into a 10km-long stage, celebrating the 40th anniversary of AC/DC frontman Bon Scott being laid to rest. This uniquely WA event was a massive success, attracting an estimated 150,000 attendees, including more than 1,000 visitors to the State. It also provided a huge boost to the economy, with many local businesses along Canning Highway, including pubs, cafes and restaurants, recording their strongest turnover on record.
- **ICC T20 Women's World Cup (Cricket):** In February 2020, Perth hosted five cricket matches across three days as part of the International Cricket Council (ICC) Women's T20 World Cup. The event attracted nine of the 10 international women's cricket teams from New Zealand, Sri Lanka, England, South Africa, the West Indies, Thailand, India, Bangladesh and Australia. Overall the tournament in Perth saw 9,292 spectators attend across the three match days. According to organisers the event delivered direct expenditure of \$2.4 million to the State.

Tourism WA had secured a number of other major events in 2019-20 for the State. However, the following events have been postponed due to restrictions on mass gatherings and travel as a result of COVID-19:

- **UFC 251:** Tourism WA secured its second, top-level UFC event in February 2020. UFC 251 was to be a pay-per-view sanctioned event which represent the top tier of UFC events, attracting massive global audiences - with only 12 held each year, and only two or three of those hosted outside North America. Broadcasts of UFC pay-per-views have the potential to reach one billion households in 172 countries. The event was scheduled for June 2020, however has been postponed to June 2021.
- **Pirtek Perth SuperNight:** In February 2020, Tourism WA entered into a two-year agreement with Australian Supercars to host the 2020 and 2021 Pirtek Perth SuperNight. The event was expected to deliver a minimum of 3,126 out-of-state visitors and national and international broadcast opportunities to showcase the State. The event, originally scheduled to take place in May, has been postponed until October 2020.
- **Sikh Games:** Tourism WA was successful in securing the 2020 Australian Sikh Games. The event was expected to attract around 2,000 out-of-state visitors. It was meant to be held in April 2020, but has been postponed until April 2021.

- **UniSport Nationals:** In October 2019, Tourism WA announced Perth would welcome more than 6,000 visitors for the UniSport Nationals 2020. The event features individual and team sports such as badminton, basketball, futsal, golf, netball, cheer and dance, sailing, tenpin bowling and water polo. It has been postponed to September/October 2022.
- **AFL Masters:** In January 2020, Tourism WA announced it would host the 2020 AFL Masters National Carnival for the first time in 17 years. The competition is the country's largest mass participation Australian Rules football carnival with an average 40 teams taking part. The event was expected to attract more than 1,100 interstate visitors and has been postponed until September/October 2021.

The following events have been secured by Tourism WA in 2019-20 and will take place in future years:

- **Bledisloe Cup:** Perth will host its second Bledisloe Cup in 2021 at Optus Stadium when the Wallabies take on the New Zealand All Blacks. New Zealand has a significant expat population in WA, with the opportunity to visit friends and relatives and watch world-class rugby expected to be a big motivator for people to travel to the State. The Bledisloe Cup will be televised in a number of Tourism WA's key international markets.

2.0 AGENCY PERFORMANCE

- **Rowing:** In February, Tourism WA announced it had secured the Australian Masters Rowing Championships in May 2022 and May 2026, and the Australian Rowing Championships in March 2023. Together, the events will deliver thousands of visitors, contribute \$12 million to the economy over five years and significantly lift the profile of the State within the rowing community.
- **2023 FIFA Women's World Cup:** The 2023 FIFA Women's World Cup will be held in Australia and New Zealand, with WA securing the rights to host a series of matches. The win represents an historic achievement for football in Australia - marking the first time the country has hosted a senior FIFA tournament. The matches in WA are expected to draw a significant number of visitors to the State and provide extensive international media exposure.

Business events

Tourism WA continued its partnership with Business Events Perth to bring business and incentive events to WA in 2019-20. Business Events Perth secured 124 conferences and 125 corporate meetings and incentive events for the year. This represents 277,569 delegate days, generating an estimated Direct Delegate Expenditure (DDE) of \$140.94 million. The impact of COVID-19 on business events in WA has been significant, with 84 per cent of events secured by Business Events Perth and scheduled for 2020 (from March) cancelled or postponed. As at June 30, 2020, 66

events had been cancelled worth more than \$50 million in DDE and a total of 117 events had been postponed worth more than \$109 million in DDE. Concentrated efforts by Business Events Perth ensured more events were postponed than cancelled, contributing to a pipeline of conferences to assist in recovery once borders and restrictions are lifted.

Visitor experiences and attractions

A key part of Tourism WA's role is to help proponents develop visitor experiences and tourism infrastructure, especially those that can help generate jobs. We work with many government agencies and the private sector to achieve this. In addition, new attractions and experiences help to draw more visitors to particular destinations, and encourage them to stay longer by ensuring there is a wide range of things for them to see and do. Key achievements for 2019-20 include:

- **Tourism Attractions Case Management Framework:** The Tourism Attractions Case Management Framework continued to help proponents of new tourism businesses, that will have a significant impact on the State's tourism industry, navigate the relevant approval processes. In 2019-20, 48 tourism businesses of varied scale and stages of development received advice and support under the framework. Examples include Tawarri Hot Springs in Dalkeith, which is

OPTUS STADIUM



2.0 AGENCY PERFORMANCE

now well advanced in its design through the new State Design Review Panel process. A development application is expected to be submitted later this year. The second example is the Matagarup Bridge Climb and Zip Line, which underwent a tender process to select the operator, and is due to open at the end of 2020.

- **Fremantle cycle trails:** Tourism WA, in partnership with Westcycle, developed two cycle trails and brochures for visitors looking

for a cycling experience around Fremantle and along the Indian Ocean coast. The two trails cater for different markets and incorporate key attractions for visitors. *Fremantle Highlights* provides visitors with a trail connecting the key tourist sites of Fremantle; and the *Indian Ocean Explorer* is a longer trail, which takes visitors from Fremantle along the coast to Cottesloe.

- **Yagan Square Nyumbi:** The initiative, developed by Tourism WA, Development WA and the City

of Perth, provided a free Aboriginal cultural performance regularly in the city. The event was held every Friday night for seven weeks, with increasing interest before being paused due to COVID-19. Tourism WA continues to work with Development WA to determine the most appropriate timing to reinstate Nyumbi as a regular activation from July 2020.

3. WE WILL ATTRACT MORE PEOPLE, MORE OFTEN TO REGIONAL WA

To attract more people to regional WA and grow tourism, Tourism WA works with airlines, local governments and communities to help increase air services and lower airfares. We also support exciting events and focus on Aboriginal tourism development to encourage people to travel to the regions. As a result of COVID-19 and travel restrictions, for the first time in decades Tourism WA is actively marketing to an intrastate audience through our new campaign – *Wander out Yonder*, which we launched in June 2020. As a result, now more than ever, it is critical to work together with the State's five Regional Tourism Organisations to align our marketing to encourage WA locals to go further and do more than they have before.

In 2019-20, the following was achieved in attracting more people, more often to regional WA:

Regional visitation

In 2019, West Australians took more overnight trips within the State, increasing by 11.2 per cent to 9.17 million intrastate overnight visitors. Intrastate spend in WA grew by 13.8 per cent to \$4.35 billion as a result of increases in visitation from both leisure and business segments, as well as in their average length of stay. The number of intrastate holiday trips grew by 11.6 per cent to 3.74 million overnight visitors, whilst intrastate holiday visitor spend rose by 5.4 per cent to \$2.13 billion. The number of day trips taken intrastate increased by 20.1 per cent to 24.2 million.

Road trips campaign

Tourism WA continued its global campaign to promote driving holidays in WA and encourage people to explore more of the State. The *Home of the Road Trip* campaign highlighted how WA's size provides the opportunity to discover a

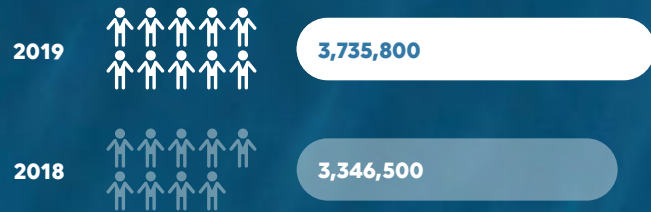
variety of destinations and experiences through a range of road trip itineraries, from easy short trips within Perth, to more challenging drives off-road in the outback. The campaign was promoted domestically and internationally in 2019-20 to key markets including east coast Australia, the UK, Germany, Singapore, Malaysia, Indonesia, Japan, New Zealand, China and Hong Kong.

Do it in WA intrastate campaign

On March 12, 2020, Tourism WA launched the *Do it in WA* intrastate campaign. West Australians were encouraged to holiday at home and support the State's tourism industry as it dealt with the emerging impacts of COVID-19. Due to the rapidly changing environment, Tourism WA stopped the *Do it in WA* campaign, along with our interstate and international tactical campaigns.

INTRASTATE HOLIDAY VISITORS AND SPEND IN WA

Visitors



Change

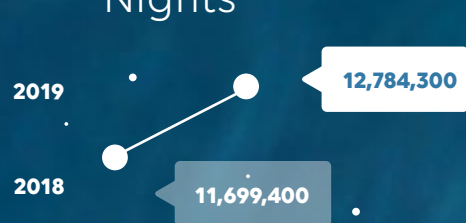
+ 11.6%

Spend



+ 5.4%

Nights



+ 9.3%



2.0 AGENCY PERFORMANCE

Wander out Yonder intrastate campaign

In response to the majority of WA's regional travel border restrictions being lifted, Tourism WA launched a major intrastate marketing campaign, *Wander out Yonder*, in June 2020. The campaign encourages West Australians to explore our incredible State and support the local tourism industry. It inspires West Australians to enjoy a staycation in Perth or travel to new places, and seek out new experiences across the State. The campaign features print, digital media and radio advertising, as well as targeted cooperative marketing campaigns, including holiday offers across hotels, holiday parks, campervans and a variety of tours and experiences. With more West Australians able to holiday and explore WA, instead of going interstate or overseas during the COVID-19 pandemic, it is a chance to drive more economic activity to WA tourism businesses and support local jobs.

Regional events

The Regional Events Program and Regional Events Scheme are managed by Tourism WA with funding from Royalties for Regions. These programs support regional events across WA, and play an important role in positioning WA as an exciting destination and a great place to live by showcasing a region's unique and diverse attractions. Due to COVID-19, many events were paused, cancelled or postponed. However, with

the opening of regional borders an opportunity now exists to attract more intrastate visitors to enjoy these regional events.

- **Regional Events Program:** Tourism WA's Regional Events Program (REP) supports medium to large events across the State. The program provides funding of \$40,000 and above, for events that will deliver significant benefits to regional communities, generate strong community engagement, encourage intrastate visitors and attract national media attention. In 2019-20, 14 regional events were sponsored through the REP, however six of these were cancelled or postponed due to COVID-19.
- **Regional Events Scheme:** Tourism WA's Regional Events Scheme (RES), is an annual funding round that supports smaller and emerging events in regional Western Australia to boost tourism, increase community vibrancy and participation, and develop regional areas. The total funding pool is \$1 million, inclusive of a quarantined pool of \$150,000 for the Regional Aboriginal Events Scheme (RAES). The RAES supports events that deliver Aboriginal activities and experiences through the leadership and participation of Aboriginal people. In 2019-20, 68 events were supported through the RES, which included seven events under the Regional Aboriginal Events Scheme. Due to COVID-19, 15 events were cancelled and three events were postponed to 2020-21.

Regional aviation access

Improving access to and around WA will help draw visitors to particular destinations around the State. Tourism WA works with a number of commercial partners and government departments to help increase air services and make airfares more affordable. For example, we worked alongside the Department of Transport to help with the review of the State Aviation Strategy.

- **Affordable Airfares Program:** The Affordable Airfares Program was part of Tourism WA's commitment to work with airlines and other partners to introduce affordable fares where possible, encouraging more people to holiday in regional WA, and making trips to Perth more economical for regional residents. After the success of the special weekend airfares on the Perth-Broome route in its first year in 2018, Tourism WA and Qantas announced a one-year extension to the program in August 2019. The special fares offered passengers the opportunity to fly between Perth and Broome from \$199 one-way during high season and \$179 during low season if booked at least 45 or 60 days in advance. This was paused due to the impact of COVID-19 and the restrictions placed on WA's regional travel and borders. A second Affordable Airfares Program with Qantas on the Perth-Exmouth route operated between June and September 2019. More than 1,100 Perth residents took advantage of the \$169 one-way fares, helping to inject \$1.3 million

2.0 AGENCY PERFORMANCE

into the region's economy. A second trial was due to run from April to October 2020, which included using a larger Airbus A320 on some of the flights. However, this was also paused due to COVID-19.

- **East coast to Busselton flights:** Supported by Tourism WA and the City of Busselton, Jetstar announced it would launch the first commercial route between Melbourne and Busselton from March 25, 2020. The three-times a week, year-round flights were expected to bring thousands of new visitors to the South West and provide an economic boost to the region. The flights have been paused due to COVID-19.
- **Melbourne to Kununurra flights:** Tourism WA, in partnership with the Kimberley Development Commission, the Shire of Wyndham-East Kimberley, the East Kimberley Marketing Group, Alliance Airlines and Virgin Australia, helped secure direct flights from Melbourne to Kununurra. The flights were due to launch May 15, 2020, however were paused due to COVID-19.

As we begin our recovery journey, Tourism WA continues to negotiate with airlines to secure competitive airfare deals into regional WA for residents and tourists. Increasing visitors to key tourism destinations will help with the recovery of the State's tourism industry.

Aboriginal tourism experiences

- **WA Indigenous Tourism Operators Council (WAITOC):** Tourism WA entered into a new Marketing and Services Agreement for four years with WAITOC to support its operations in the area of administration, marketing and business development. The strength of the relationship between Tourism WA and WAITOC is paramount to the ongoing development of the sector. WAITOC has a membership of more than 120 Aboriginal tourism businesses.
- **Aboriginal Tourism Action Plan:** The Aboriginal Tourism Action Plan was well progressed and close to release prior to COVID-19. The document is a cross-government plan, working closely with industry partners including WAITOC on marketing, business development and infrastructure development across the sector. The plan will now be reviewed and realigned to a post-COVID-19 environment prior to release.
- **Camping with Custodians:** Tourism WA's *Camping with Custodians* initiative builds community-operated campgrounds on Aboriginal lands where tourists and the public have the chance to stay with traditional Aboriginal owners and experience local culture. The Violet Valley and Doon Doon campgrounds were completed in time for the 2019 tourist season. Formal openings have been postponed until 2021 due to COVID-19. Tourism WA is currently finalising detailed design and approval processes for a new *Camping with Custodians* campground at Djarindjin on the Dampier Peninsula.
- **Discover Aboriginal Experiences Program:** Western Australia increased the number of Aboriginal export-ready products featured within Tourism Australia's Discover Aboriginal Experiences (DAE) program, with the inclusion of WA's Ngurrangga Tours. The program provides support to further build Aboriginal tourism businesses through attendance at trade shows such as the Australian Tourism Exchange and involvement in a range of marketing activities. Tourism WA is working with operators in order to qualify them for possible inclusion in the DAE for 2021.
- **Kooljaman at Cape Leveque:** Tourism WA partnered with Indigenous Business Australia to undertake a review of business operations of Kooljaman at Cape Leveque, and work on a masterplan for the redevelopment of the facility. Kooljaman at Cape Leveque is a remote wilderness camp owned and run by the Aboriginal Bardi Jawi communities. The project was delayed due to COVID-19, as community engagement was not possible during this time.

2.0 AGENCY PERFORMANCE

4. WE WILL INTENSIFY OUR FOCUS ON CONVERTING CORE TARGET AUDIENCES

To encourage more people to visit the State from Tourism WA's key target markets, we implemented a new model to develop our creative assets and focused our marketing towards an increasing digital audience. A key achievement for 2019-20 has been appointing new marketing agencies to guide our marketing strategy, creative and production work. This will help us create a new tourism brand for the State, which we are currently working on, to guide our intrastate marketing and future interstate and international marketing efforts when the time is right. With an increasing digital audience, we also implemented the use of new technology and a market segmentation model to ensure our marketing efforts effectively target the right consumers.

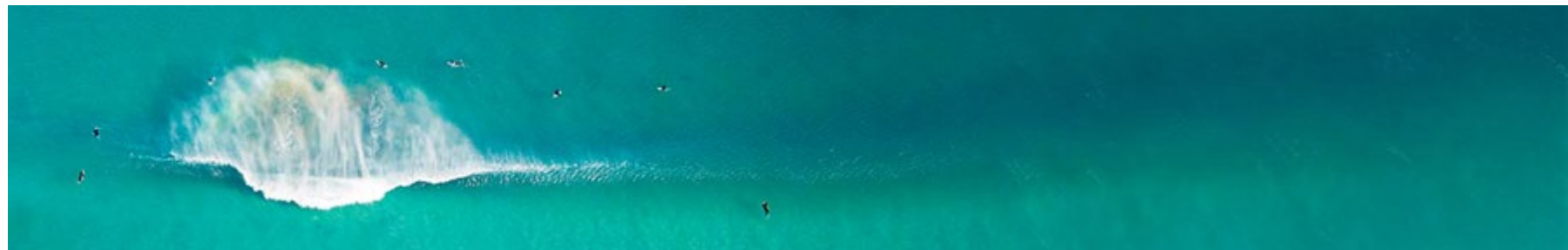
In 2019-20, the following was achieved in intensifying our focus on converting core target audiences:

Creative agencies tender

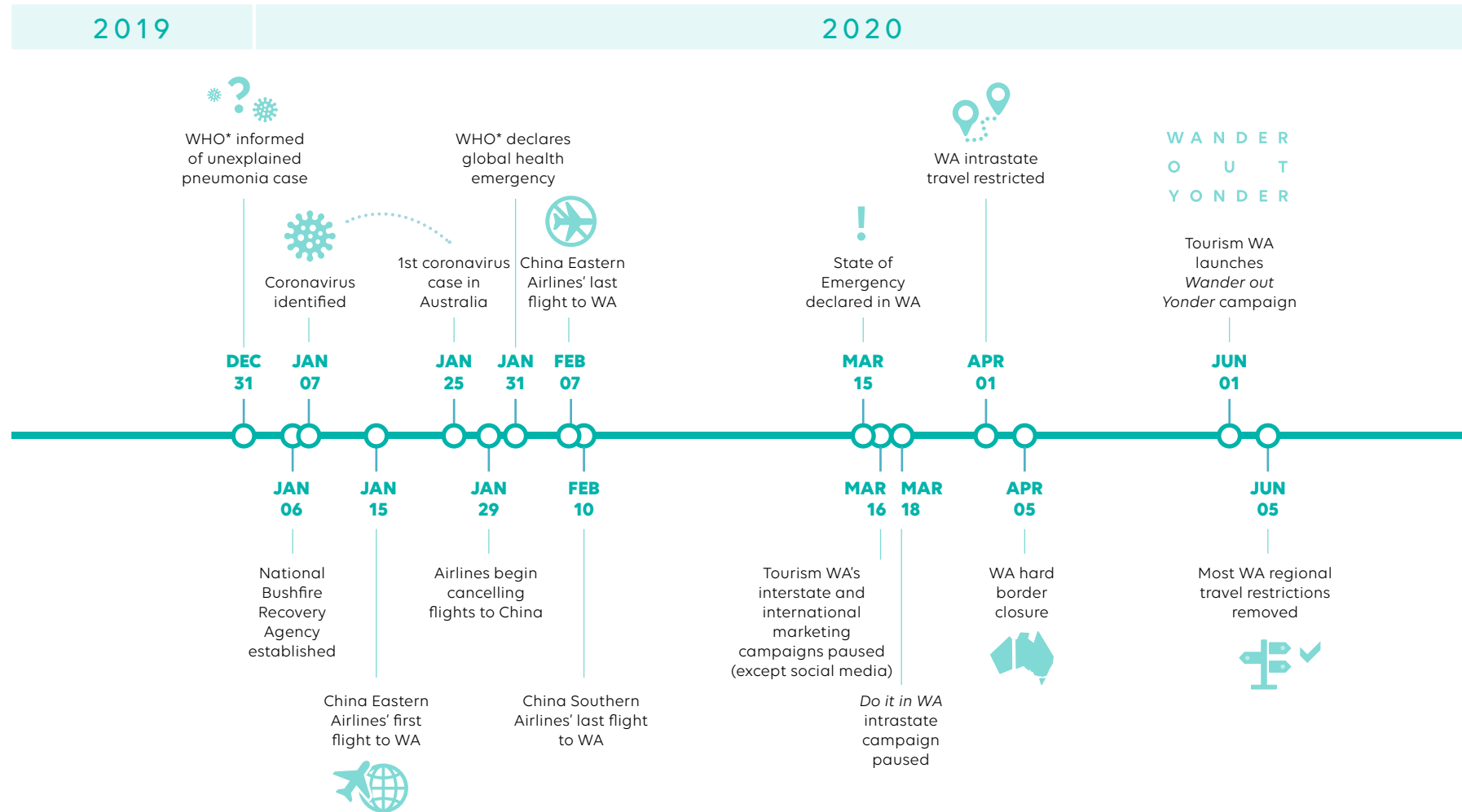
Following a tender process, Tourism WA appointed The Monkeys, Marketforce, The Brand Agency and Sandbox in February 2020 as its new Strategy and Creative; and Production and Implementation agencies. The Monkeys, part of Accenture Interactive, lead the strategic and creative services part of the contract while the other agencies, in addition to The Monkeys, undertake the implementation and production work. The tender process gave Tourism WA the opportunity to find the best partners to help make an impact with the State's destination marketing. Appointing local companies to deliver production and implementation services means a significant amount of work will be done in WA, supporting local jobs.

Launch of a data management platform

In 2019-20, Tourism WA launched a Data Management Platform (DMP) to improve our ability to target a growing digital audience. The purpose of the DMP is to capture preferences and interests of users that access content (e.g. regions or activities) via westernaustralia.com and our partners' websites, which are then used to re-target them through our marketing activities. This makes Tourism WA's marketing more efficient. Tourism WA successfully negotiated various data sharing agreements with Tourism Australia, Singapore Airlines, Perth Fringe, Air New Zealand and others to integrate their data into our platform. In addition, we established data partnerships with the Regional Tourism Organisations to enable them to leverage Tourism WA's data infrastructure.



TOURISM WA'S RESPONSE TO THE COVID-19 PANDEMIC



*WHO – World Health Organization

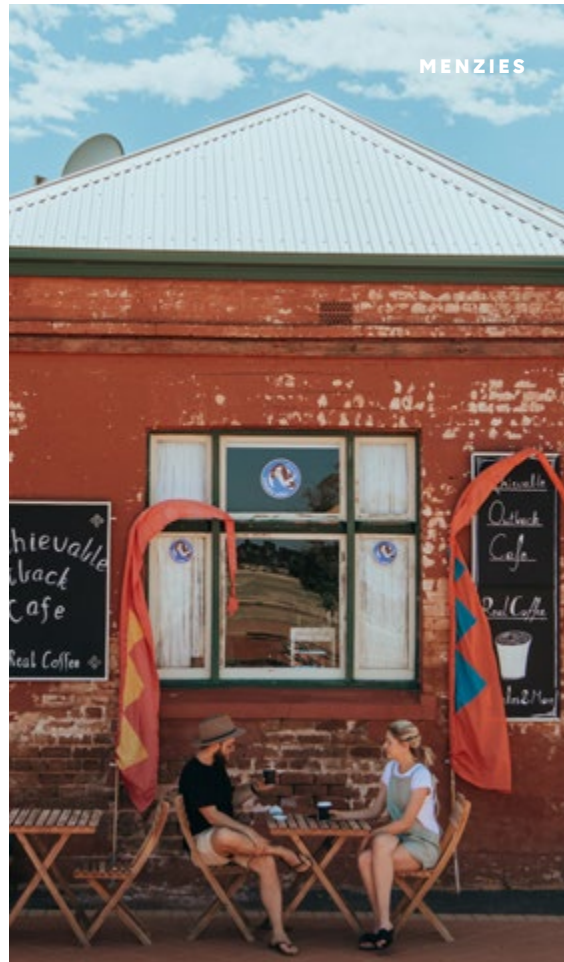
2.0 AGENCY PERFORMANCE

2020 will be regarded as one of the toughest years for Western Australia's tourism industry. The reputational damage from the east coast bushfires, followed by the COVID-19 global pandemic, has significantly impacted our industry and resulted in extraordinary measures being adopted by the State Government, resulting in a hard border closure to protect the community.

The WA Government launched stimulus packages to assist West Australians and small businesses affected by the pandemic. Nineteen staff from Tourism WA were also deployed to other areas of Government to help with the State's response to the COVID-19 pandemic.

As the leading agency for tourism in Western Australia, Tourism WA acted swiftly to provide support to our industry. We established an Industry Support Team in April to work closely with tourism operators through the challenges of the pandemic.

The team reached out to more than 700 operators to help them navigate through various assistance packages and offer a friendly voice to talk through recovery ideas for when the time is right. These conversations not only helped our industry, but informed us about existing or emerging issues to guide future support or recovery initiatives.



To sustain our industry and future, in May 2020 we launched the \$14.4 million WA Tourism Recovery Program to support the tourism industry during the COVID-19 pandemic.

The support package comprised two funding programs: the Tourism Recovery Fund and the Tourism Business Survival Grant.

The Tourism Recovery Fund provided immediate support to eligible small businesses with one-off funding of \$6,500 to adapt and refocus their business in the new environment.

The Tourism Business Survival Grant was made available to tourism operators demonstrating extreme business hardship, with grants of \$25,000 to \$100,000 to aid in recovery. With applications closing in July 2020, Tourism WA hopes this assistance will help businesses that rely heavily on inbound visitors, to adapt and mobilise their operations through the recovery period.

With the opening of regional borders in June 2020, Tourism WA launched a major intrastate tourism campaign to encourage West Australians to book an adventure in WA. *Wander out Yonder* was launched with a \$2 million investment in media and partnerships.

2.0 AGENCY PERFORMANCE

Due to COVID-19 travel restrictions, we now have a whole new market of intrastate travellers – many who haven't taken holidays in WA for decades. The campaign focuses on inspiring locals to spend their holiday time and money in WA, exploring locations they have never been to, and embarking on experiences they have never had.

Tourism WA is working with the Regional Tourism Organisations and the Western Australian Indigenous Tourism Operators Council to promote the *Wander out Yonder* campaign and encourage people to book tours, accommodation or experiences, directly with WA tourism operators.

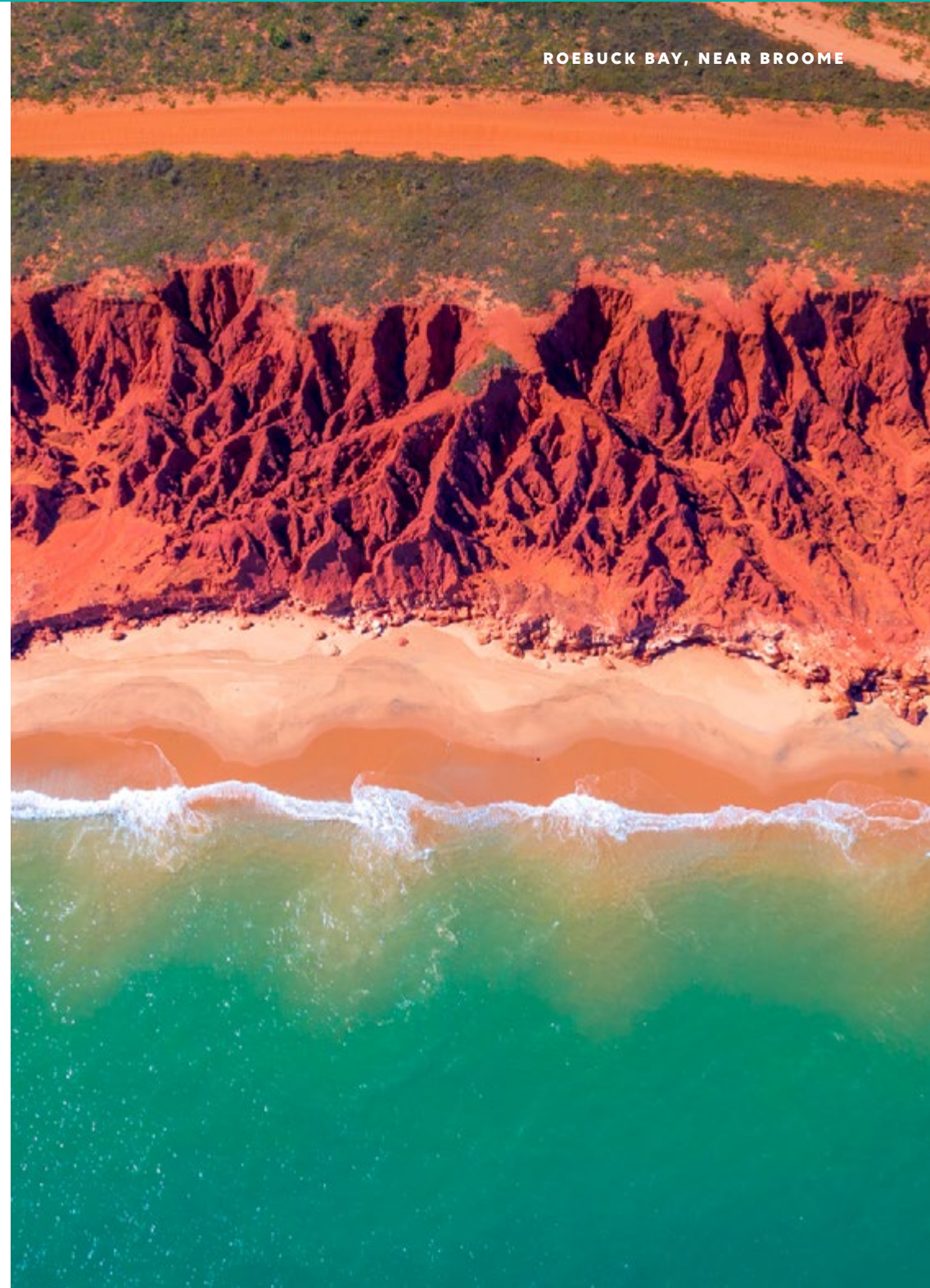
The tourism industry was certainly one of the most severely impacted by the challenges of the pandemic, however tourism will play a vital role in the post COVID-19 economic recovery when we are ready to once again welcome visitors.

There are still many uncertainties about the full impact of the pandemic and when interstate and international borders will open, but when they do we will be ready.

The successful outcomes of the *Two-Year Action Plan for Tourism in Western Australia* proves how well we are able to strengthen our industry with a robust plan, solid partnerships and industry support.

Tourism WA is now developing a recovery plan to restart and rebuild the State's tourism industry, and we will work closely with our partners, Government and operators to ensure a sustainable and resilient industry in the future.

ROEBUCK BAY, NEAR BROOME



2.0 AGENCY PERFORMANCE

2.2 Financial Targets

Financial Targets	2019-20 Original Target	2019-20 Actual	Variation
	\$'000	\$'000	\$'000
Total cost of services (approved expense limit) (see Statement of Comprehensive Income)	101,759	89,247	12,512
Net cost of services (see Statement of Comprehensive Income)	100,695	88,643	12,052
Total equity (see Statement of Financial Position)	16,265	21,589	5,324
Net increase/(decrease) in cash held (see Statement of Cash Flows)	2,969	8,576	5,607

Explanatory Notes to Variations against Revised Targets

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

Total cost of services

The underspend is due to the impacts of COVID-19 on Tourism WA's activities in the latter half of 2020. The introduction of restrictions on travel and mass gatherings resulted in the pausing of all interstate and international marketing activity and saw the postponement or cancellation of a number of events sponsored by the agency. Some budgets were reallocated late in the year towards response activities (e.g. Tourism Recovery Program) with the remainder of budget requested to be carried forward to 2020-21 for recommencement and recovery activities.

Net cost of services

The variance is comprised of the \$12.5 million variance in total cost of services offset by a small unfavourable variance in third party income.

Total equity

The variance in total equity is mostly the result of a higher than anticipated end of year cash balance. Due to COVID-19, Tourism WA was unable to expend all of its allocated funding on planned activities. Unspent funding has been requested to be carried forward to 2020-21 for recommencement and recovery activities.

Net increase/(decrease) in cash held

The variation to cash movement is explained in Total equity above.

2.0 AGENCY PERFORMANCE

2.3 Key Performance Indicators

Key Effectiveness Indicators

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

	2019-20 Target	2019-20 Actual
KPI 1 Total dollar amount spent by visitors in Western Australia	\$10.2 billion	\$11.0 billion
KPI 2 Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	98.5%
KPI 3 Value of cooperative marketing funds provided by the tourism industry	\$12 million	\$79 million
KPI 4 Direct economic impact of major events sponsorship	\$48 million	\$56.7 million
KPI 5 Direct media impact of major events sponsorship	\$94.5 million	\$162.5 million

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.

	2019-20 Target	2019-20 Actual
KPI 6 Tourism Destination Marketing administrative costs as a proportion of Total Cost of Service allocated to Destination Marketing	22%	28%
KPI 7 Event Tourism administrative costs as a proportion of Total Cost of Service allocated to Event Tourism	10%	12%
KPI 8 Tourism Destination Development administrative costs as a proportion of Total Cost of Service allocated to Tourism Destination Development	59%	32%

Detailed information on Key Performance Indicators can be found on page 98.

3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

Western Australia's tourism industry was heavily impacted in the second half of 2019-20 by the bushfires on the east coast of Australia and the onset of the COVID-19 pandemic.

The first case of COVID-19 in Australia was confirmed on January 25, 2020, followed by the first case to be confirmed in WA in February from a passenger on board the Diamond Princess cruise ship.

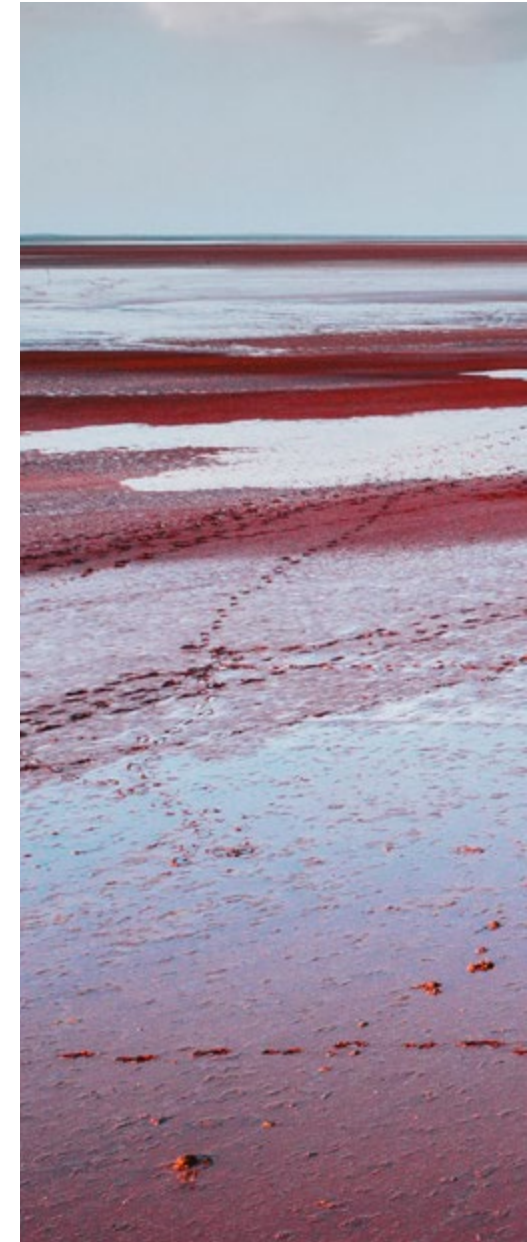
The Minister for Emergency Services and the State Government declared a State of Emergency on March 15, 2020 in response to the COVID-19 outbreak on Australian shores.

Limitations on mass gatherings and physical distancing were put in place and intrastate travel was restricted from April 1, 2020, prohibiting West Australians to travel outside of their regional boundary. Western Australia enforced strict border controls on April 5, 2020, to limit the spread of the virus and as a result, no persons were permitted to enter the State without an exemption.

Aviation access and cruise shipping have been severely impacted by the travel restrictions resulting from the COVID-19 pandemic, decimating passenger demand and capacity. Airlines worldwide have been placed into significant financial distress. The closure of Australia's borders as a measure to contain the spread of COVID-19 has seen the number of international airline seats into WA fall by 90 per cent over the quarter ended June 30, 2020.

As a result of the pandemic, Tourism WA paused all its marketing activities and agreements with travel partners including airlines. A number of the events which we sponsor have been postponed or cancelled due to mass gathering and travel restrictions.

We shifted our focus to support the tourism industry through the global pandemic by launching the Industry Support Team, as well as the \$14.4 million WA Tourism Recovery Program.





LAKE BALLARD

\$14.4 MILLION
WA TOURISM
RECOVERY
PROGRAM

3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

The Western Australian Government developed a phased COVID-19 WA Roadmap outlining its whole of government plan for protecting the community and minimising the impact of the pandemic on the State. Due to the efforts of West Australians, WA was able to move through the phases of the WA Roadmap and lead the states in relaxing restrictions.

We capitalised on the opening of intrastate borders as part of phase three by launching a major intrastate campaign on WA Day - *Wander out Yonder*.

Phase four was introduced on June 27, 2020, which saw significant relaxation of restrictions, including a gathering limit of one person per two square metres, and a 50 per cent capacity cap on major sports and entertainment venues. This allows Optus Stadium to host 30,633 people for sport events.

The economic fallout of COVID-19 has had significant impacts on both tourism supply and demand. The impacts of COVID-19 and travel restrictions are ongoing and in many ways have not yet been fully realised.

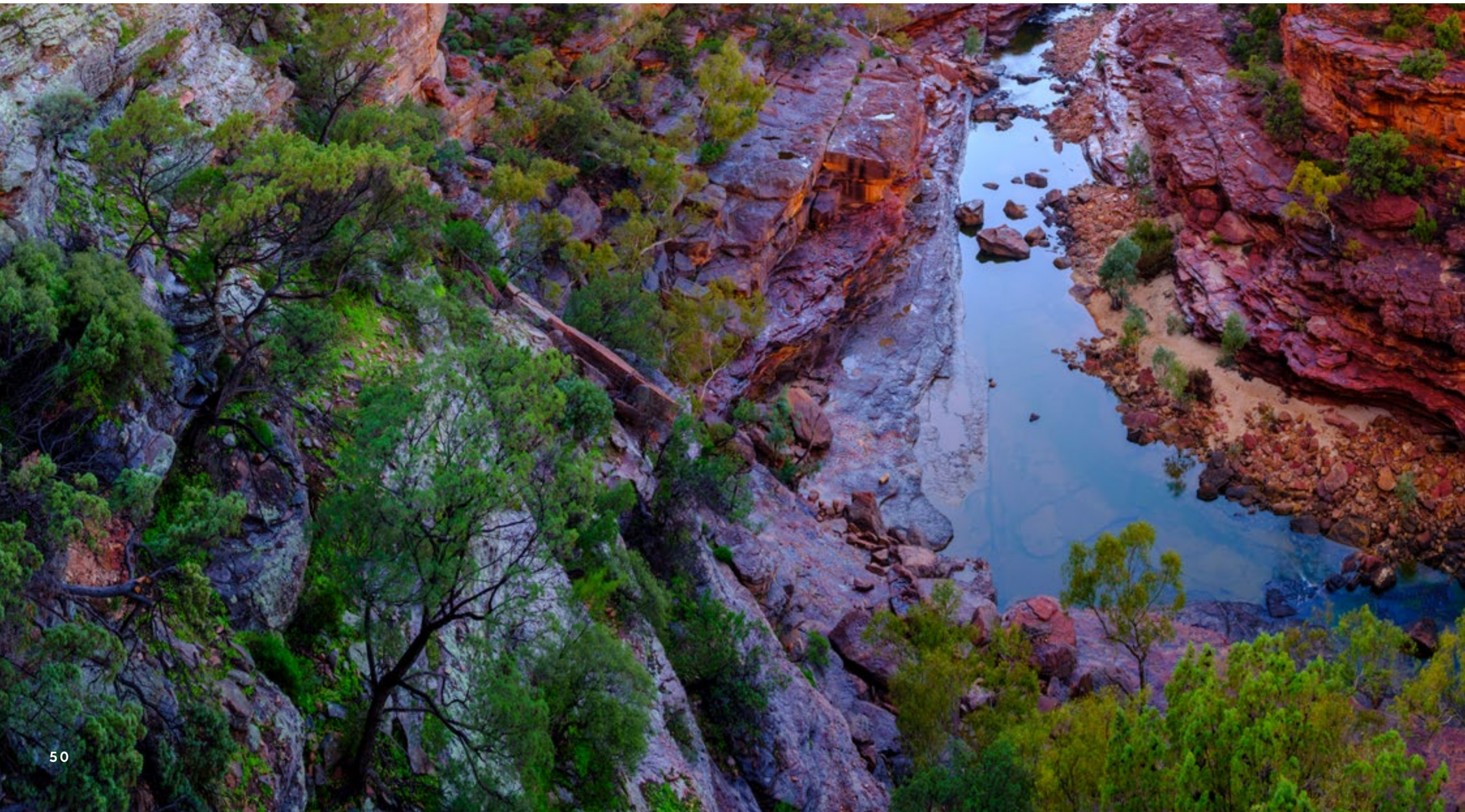
As we continue through this global pandemic, Tourism WA is now working on recovery efforts in line with the State Government's WA Recovery Plan, to ensure we can be in a position as competitive as possible when the time is right and it's safe to do so.

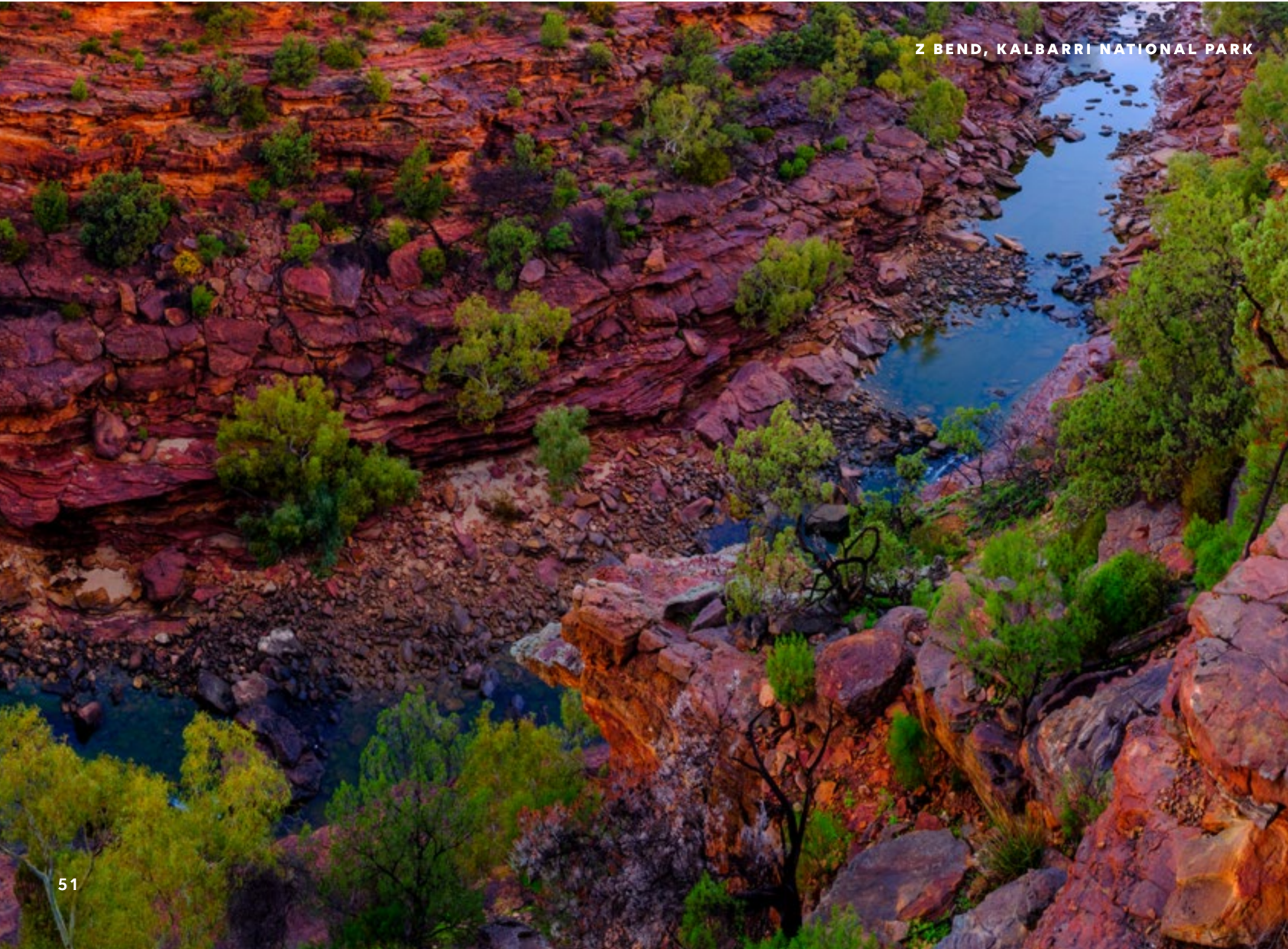


An aerial photograph of a vast, arid desert landscape. The terrain is a mix of light tan and reddish-brown sand, with some darker, rocky patches. A small white vehicle is visible in the lower-left quadrant of the image. The overall scene is desolate and expansive.

**COMPETITIVE
POSITION
WHEN THE TIME
IS RIGHT
AND SAFE**

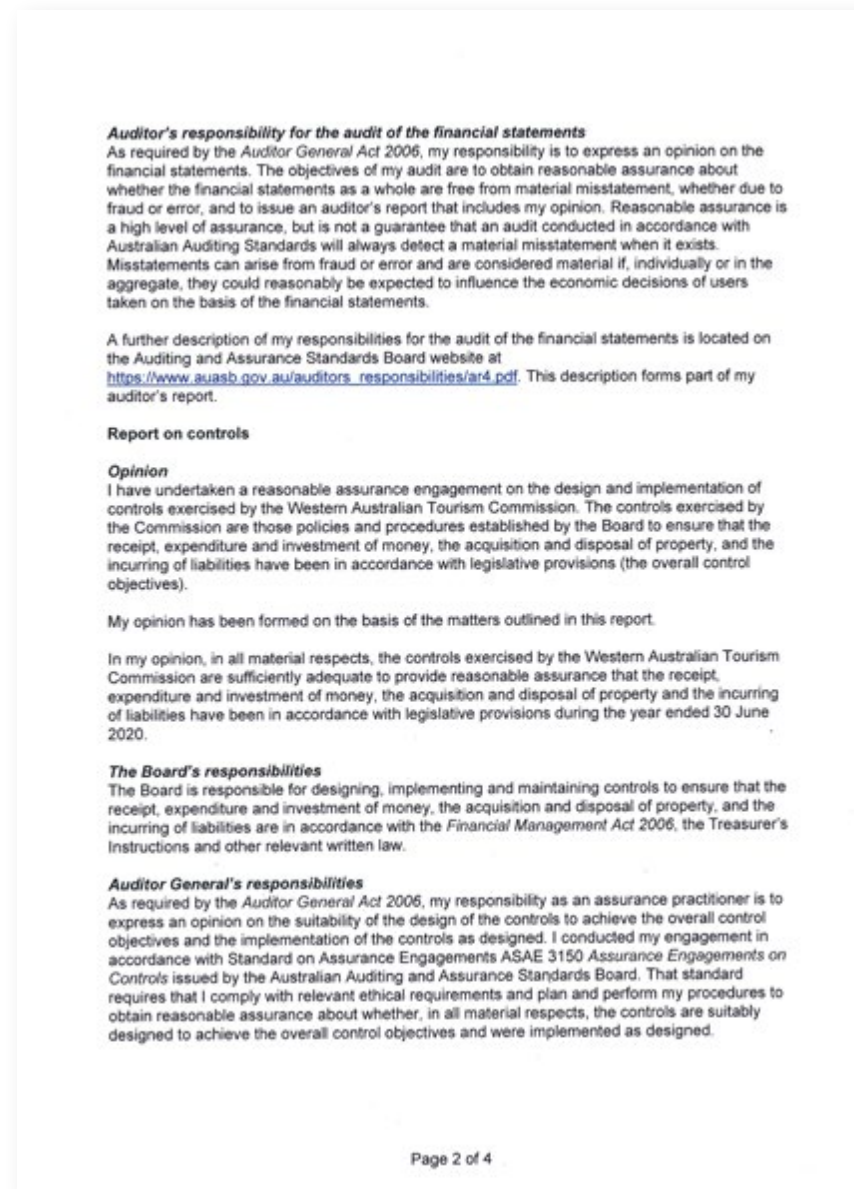
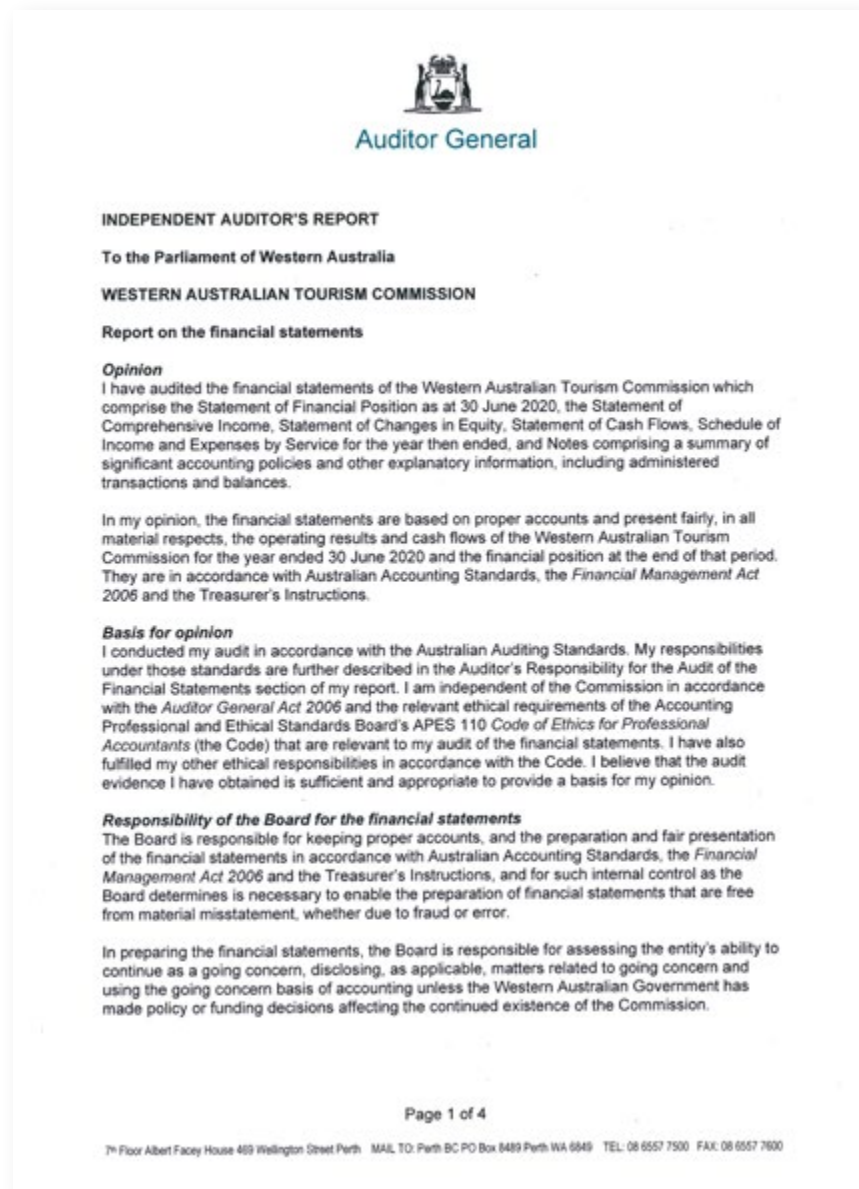
4.0 DISCLOSURES AND LEGAL COMPLIANCE





Z BEND, KALBARRI NATIONAL PARK

4.1 Independent Auditor's Report



4.0 DISCLOSURES AND LEGAL COMPLIANCE

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 non-compliance 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 2020.

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 entity'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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.


SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
2 September 2020

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.2 Financial Statements

CERTIFICATION OF FINANCIAL STATEMENTS

For the reporting period ended 30 June 2020

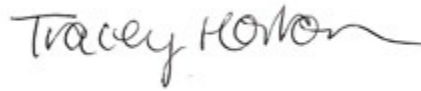
The accompanying financial statements of the Western Australian Tourism Commission (operating as Tourism WA) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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



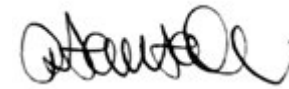
Nathan Harding
CHAIRMAN

28 August 2020



Tracey Horton
COMMISSIONER

28 August 2020



Renato Sansalone
CHIEF FINANCIAL OFFICER

28 August 2020

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.5.1	377	369
Supplies and services	3.1	39,855	40,463
Depreciation and amortisation expense	5.1.1, 5.2, 5.3.1	541	604
Accommodation expenses	3.5.3	2,205	1,847
Grants and subsidies	3.2	5,914	1,381
Event operations expenses	3.3	24,418	26,137
Advertising and promotion expenses	3.4	15,890	29,504
Other expenses	3.5.4	47	1,105
Total cost of services		89,247	101,410
Revenue			
Commonwealth grants and contributions	4.2	14	99
Interest revenue		179	402
Other revenue	4.3	411	484
Total Revenue		604	985
Total income other than income from State Government		604	985
NET COST OF SERVICES			
Income from State Government	4.1		
State grants and contributions		69,841	70,439
Services received free of charge		12,378	10,785
Royalties for Regions Fund		13,366	16,432
Total income from State Government		95,585	97,656
SURPLUS/(DEFICIT) FOR THE PERIOD		6,942	(2,769)

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	8,804	1,416
Restricted cash and cash equivalents	6.3	2,012	824
Receivables	5.4	848	1,206
Prepayments	5.5	6,638	10,597
Amounts receivable for services	5.6	475	475
Total Current Assets		18,777	14,518
Non-Current Assets			
Amounts receivable for services	5.6	5,095	5,570
Property, plant and equipment	5.1	121	206
Right-of-use assets	5.2	141	-
Intangible assets	5.3	346	581
Other non-current assets	5.7	300	229
Total Non-Current Assets		6,003	6,586
TOTAL ASSETS		24,780	21,104
LIABILITIES			
Current Liabilities			
Payables	5.8	2,909	6,523
Lease liabilities	6.1	42	-
Employee related provisions	3.5.2	139	123
Total Current Liabilities		3,090	6,646
Non-Current Liabilities			
Lease liabilities	6.1	101	-
Total Non-Current Liabilities		101	-
TOTAL LIABILITIES		3,191	6,646
NET ASSETS		21,589	14,458
EQUITY			
Contributed equity	8.8	10,672	10,486
Accumulated surplus		10,917	3,972
TOTAL EQUITY		21,589	14,458

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	Contributed equity \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2018		10,336	6,741	17,077
Deficit		-	(2,769)	(2,769)
Total comprehensive income for the period		-	(2,769)	(2,769)
Transactions with owners in their capacity as owners:				
Capital appropriations	8.8	150	-	150
Total		150	-	150
Balance at 30 June 2019		10,486	3,972	14,458
Balance at 1 July 2019		10,486	3,972	14,458
Initial application of AASB 16		-	3	3
Restated balance at 1 July 2019		10,486	3,975	14,461
Surplus		-	6,942	6,942
Total comprehensive income for the period		-	6,942	6,942
Transactions with owners in their capacity as owners:				
Capital appropriations	8.8	186	-	186
Total		186	-	186
Balance at 30 June 2020		10,672	10,917	21,589

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
State grants and contributions		69,841	69,739
Capital appropriations		186	150
Holding account drawdown		475	475
Royalties for Regions Fund		13,366	16,432
Net cash provided by State Government		83,868	86,796
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(347)	(372)
Supplies and services		(28,294)	(27,843)
Accommodation		(2,098)	(1,847)
Grants and subsidies		(5,964)	(1,383)
GST payments on purchases		(6,027)	(7,789)
Event operations payments		(22,191)	(30,763)
Advertising and promotion payments		(17,394)	(29,057)
Other payments		(171)	(1,266)
Receipts			
Commonwealth grants and contributions		14	99
Interest received		192	407
GST receipts on sales		1,027	413
GST receipts from taxation authority		5,943	7,416
Other receipts		228	255
Net cash used in operating activities		(75,082)	(91,730)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(165)	(626)
Net cash used in investing activities		(165)	(626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(45)	-
Net cash used in financing activities		(45)	-
Net increase/(decrease) in cash and cash equivalents		8,576	(5,560)
Cash and cash equivalents at the beginning of the period		2,240	7,800
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3	10,816	2,240

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1. BASIS OF PREPARATION

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

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

These annual financial statements were authorised for issue by the Board of Commissioners of Tourism WA (the accountable authority) on 28 August 2020.

Statement of compliance

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

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

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

Basis of preparation

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

Judgements and estimates

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

Contributed equity

AASB Interpretation 1038 *Contributions by Owners 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.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTE 2. AGENCY OUTPUTS

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

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

2.1 Agency objectives

Mission

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

Services

Tourism WA comprises the following three service areas:

Service 1: Destination Marketing

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

Service 2: Event Tourism

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

Service 3: Tourism Destination Development

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

2.2 Schedule of income and expenses by service For the year ended 30 June 2020

	Destination Marketing		Event Tourism		Tourism Destination Development		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES								
Expenses								
Employee benefits expense	244	214	65	80	68	75	377	369
Supplies and services	31,062	30,428	4,213	4,632	4,580	5,403	39,855	40,463
Depreciation and amortisation expense	344	350	102	130	95	124	541	604
Accommodation expenses	1,693	1,364	259	258	253	225	2,205	1,847
Grants and subsidies	224	34	-	-	5,690	1,347	5,914	1,381
Event operations expenses	-	-	24,418	26,137	-	-	24,418	26,137
Advertising and promotion expenses	15,086	27,742	530	1,323	274	439	15,890	29,504
Other expenses	28	43	11	1,046	8	16	47	1,105
Total cost of services	48,681	60,175	29,598	33,606	10,968	7,629	89,247	101,410
Revenue								
Commonwealth grants and contributions	-	-	-	-	14	99	14	99
Interest revenue	116	233	31	87	32	82	179	402
Other revenue	275	431	64	27	72	26	411	484
Total income other than income from State Government	391	664	95	114	118	207	604	985
NET COST OF SERVICES	48,290	59,511	29,503	33,492	10,850	7,422	88,643	100,425
Income from State Government								
State grants and contributions	35,447	47,237	22,058	20,395	12,336	2,807	69,841	70,439
Services received free of charge	7,630	6,300	2,446	2,511	2,302	1,974	12,378	10,785
Royalties for Regions Fund	5,524	3,501	6,942	11,481	900	1,450	13,366	16,432
Total income from State Government	48,601	57,038	31,446	34,387	15,538	6,231	95,585	97,656
Surplus/(deficit) for the period	311	(2,473)	1,943	895	4,688	(1,191)	6,942	(2,769)

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTE 3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

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

	Notes	2020	2019
		\$'000	\$'000
Supplies and services	3.1	39,855	40,463
Grants and subsidies	3.2	5,914	1,381
Event operations expenses	3.3	24,418	26,137
Advertising and promotion expenses	3.4	15,890	29,504
Other expenses	3.5	2,629	3,321

3.1 Supplies and services

	2020	2019
	\$'000	\$'000
Communications expenses	217	199
Computer expenses	2,078	2,113
Contracts for service	12,884	12,211
General administration expenses	3,035	3,071
Insurance	52	67
Marketing services	2,708	2,683
Operating lease, rental and hire costs	325	336
Printing and stationery	22	32
Professional services	3,821	6,359
Research	1,694	1,886
Services provided by the Department of Jobs, Tourism, Science and Innovation ^(a)	12,371	10,764
Travel	622	671
Vehicles	26	71
	39,855	40,463

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

^(a) Following Machinery of Government changes that became effective 1 July 2017, Tourism WA employees were transferred to the Department of Jobs, Tourism, Science and Innovation. As the employing authority, the Department provides personnel to Tourism WA on a free of charge basis and retains the associated cash funding from Government. Services provided by the Department in 2019 represented all employment related expenses and on-costs. In 2020, these services extended to shared systems and accommodation costs. See also Notes 3.5.1 'Employee benefits expense' and 4.1 'Income from State Government'.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

3.2 Grants and subsidies

	2020	2019
	\$'000	\$'000
Tourism Recovery Grant Program (COVID-19 response)	5,505	-
Aboriginal tourism development	109	723
Royalties for Regions - Ferguson Valley Wellington Forest Marketing	-	300
Cruise sector tourism development	-	213
Other grants and sponsorships	300	145
	5,914	1,381

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

Grants can be paid as general purpose grants which refers to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use. Grants and other transfers to third parties (other than contributions to owners) are recognised as an expense in the reporting period in which they are paid or payable.

In response to COVID-19 and the significant impact on the Western Australian tourism industry, the Tourism Recovery Grant program was developed to pay \$6,500 grants to eligible tourism businesses.

3.3 Event operations expenses

	2020	2019
	\$'000	\$'000
Event sponsorship by funding source:		
Consolidated Account	19,800	18,273
Royalties for Regions Fund – Regional Events Program	4,618	7,864
	24,418	26,137

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

3.4 Advertising and promotion expenses

	2020	2019
	\$'000	\$'000
Promotions and co-operative campaigns	13,295	23,888
Collateral – production and distribution	1,193	2,302
Familiarisation visits	1,368	3,287
Multimedia and audiovisual	34	27
	15,890	29,504

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

3.5 Other expenses

	2020	2019
	\$'000	\$'000
3.5.1 Employee benefits expense		
Commissioner fees	333	321
Superannuation – defined contribution plans ^(a)	28	27
Fringe benefits tax	16	21
Total employee benefits expense	377	369
3.5.3 Accommodation expenses		
Cleaning	61	52
Rental	1,635	1,347
Utilities	43	50
Repairs and maintenance	466	398
Total accommodation expenses	2,205	1,847

4.0 DISCLOSURES AND LEGAL COMPLIANCE

	2020	2019
	\$'000	\$'000
3.5.4 Other expenditures		
Loss on foreign exchange	33	54
Loss on disposal of non-current assets	9	-
Lease interest expense	3	-
Royalties for Regions – refund of cash balances	2	1,030
Miscellaneous expenditure	-	21
Total other expenditures	47	1,105
Total other expenses	2,629	3,321

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

3.5.1 Employee benefits expense

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

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

3.5.2 Employee related provisions

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

	2020	2019
	\$'000	\$'000
Current		
Employee benefits provision		
Annual leave ^(a)	139	123
Total employee related provisions	139	123

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

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

3.5.3 Rental expenses include lease and variable lease payments that are recognised in the period in which the event or condition that triggers those payments occurs. Rental expenses in this category include the costs of leases and other agreements that do not meet the criteria of AASB 16 *Leases* and have therefore been expensed.

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

NOTE 4. OUR FUNDING SOURCES

How we obtain our funding

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

	Notes	2020	2019
		\$'000	\$'000
Income from State Government	4.1	95,585	97,656
Commonwealth grants and contributions	4.2	14	99
Interest revenue		179	402
Other revenue	4.3	411	484

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.1 Income from State Government

	2020	2019
	\$'000	\$'000
Grants from other State government agencies ^(a) :		
State grants and contributions		
Department of Jobs, Tourism, Science and Innovation	65,023	65,999
Burswood Park Board	4,818	4,440
Total State grants and contributions	69,841	70,439
Services received free of charge from other State government agencies during the period:		
Department of Jobs, Tourism, Science and Innovation ^(a)	12,346	10,738
Department of Finance	26	37
State Solicitors Office	6	10
Total services received free of charge	12,378	10,785
Royalties for Regions Fund:		
Regional Community Services Account ^(b)	13,366	16,432
Total Royalties for Regions Fund	13,366	16,432
Total income from State Government	95,585	97,656

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

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

^(b) **The Regional Community Services Account** is a sub-fund within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when Tourism WA receives the funds. Tourism WA has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 *Revenue from Contracts with Customers* as they do not meet the 'sufficiently specific' criterion.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Details of program funding are:

	2020	2019
	\$'000	\$'000
Brand WA – Event Tourism (Regional Events Program)	6,942	11,481
Brand WA – Destination Marketing (regional tourism marketing)	5,524	3,501
Aboriginal Tourism Initiatives	900	-
Aboriginal Tourism Development Program	-	1,150
Ferguson Valley Wellington Forest Marketing Program	-	300
Total Royalties for Regions funding	13,366	16,432

The application, from 1 July 2019, of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* has had no impact on the treatment of income from State Government.

4.2 Commonwealth grants and contributions

	2020	2019
	\$'000	\$'000
Recurrent		
Aboriginal tourism (Camping with Custodians)	14	99
Total Commonwealth grants and contributions	14	99

Until 30 June 2019

Income from Commonwealth grants and contributions is recognised at fair value when the grant is receivable.

From 1 July 2019

Current grants and contributions are recognised as income when the grants are receivable. One grant was received in 2020 from Indigenous Business Australia for Aboriginal tourism initiatives (two grants were received in 2019).

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.3 Other revenue

	2020	2019
	\$'000	\$'000
Refunds of prior year expenditure	247	49
Other gains	96	15
Airline in-kind contributions	38	209
Executive Vehicle Scheme contributions	24	22
Recoup of expenditure	6	148
Insurance recoveries	-	41
Total other revenue	411	484

NOTE 5 ASSETS AND LIABILITIES

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

	Notes	2020	2019
		\$'000	\$'000
Property, plant and equipment	5.1	121	206
Right-of-use assets	5.2	141	-
Intangible assets	5.3	346	581
Receivables	5.4	848	1,206
Prepayments	5.5	6,638	10,597
Amounts receivable for services	5.6	5,570	6,045
Other non-current assets	5.7	300	229
Payables	5.8	2,907	6,523

4.0 DISCLOSURES AND LEGAL COMPLIANCE

5.1 Property, plant and equipment

	Furniture, fittings and equipment	Computer equipment	Work in progress	Total
Year ended 30 June 2020	\$'000	\$'000	\$'000	\$'000
1 July 2019				
Gross carrying amount	2,930	431	-	3,361
Accumulated depreciation	(2,793)	(362)	-	(3,155)
Accumulated impairment loss	-	-	-	-
Carrying amount at start of period	137	69	-	206
Additions	-	22	51	73
Disposals – gross carrying amount	(2,733)	(221)	-	(2,954)
Disposals – accumulated depreciation	2,719	221	-	2,940
Impairment losses (a)	-	-	-	-
Impairment losses reversed (a)	-	-	-	-
Depreciation	(123)	(21)	-	(144)
Carrying amount at 30 June 2020	-	70	51	121
Comprising:				
Gross carrying amount	197	232	51	480
Accumulated depreciation	(197)	(162)	-	(359)
Accumulated impairment loss	-	-	-	-
Carrying amount at 30 June 2020	-	70	51	121

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Initial recognition

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

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

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

Subsequent measurement

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

5.1.1 Depreciation and impairment

Charge for the period

	2020	2019
	\$'000	\$'000
Depreciation		
Furniture, fittings and equipment	123	74
Computing equipment	21	9
Total depreciation for the period	144	83

As at 30 June 2020 there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2020 have either been classified as assets held for sale or have been written off.

Finite useful lives

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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

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

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

Impairment

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

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

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

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

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

5.2 Right-of-use assets

	2020	2019
	\$'000	\$'000
Right-of-use assets		
Accommodation	87	-
Vehicles	54	-
Net carrying amount at 30 June 2020	141	-

Additions to right-of-use assets during the 2020 financial year were \$96,581.

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

Tourism WA has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value less than \$5,000). In addition, accommodation leases held centrally by the Department of Finance are not recognised as right-of-use assets by Tourism WA. Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to Tourism WA at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	2020	2019
	\$'000	\$'000
Accommodation	10	-
Vehicles	38	-
Total right-of-use asset depreciation	48	-
Lease interest expense	3	-
Expenses relating to variable lease payments not included in lease liabilities	7	-

The total cash outflow for leases in 2020 was \$45,584. Tourism WA has leases for vehicles and a storage facility.

Up to 30 June 2019, Tourism WA classified leases as operating leases. From 1 July 2019, Tourism WA recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

Tourism WA has also entered into Memorandum of Understanding agreements (MOUs) with the Department of Finance for the leasing of accommodation for the Western Australian Visitor Centre and a storage facility. These are not recognised under AASB 16 *Leases* because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

5.3 Intangible assets

	Software and website development	Development costs	Campaign production costs	Works in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2020					
1 July 2019					
Gross carrying amount	739	706	990	-	2,435
Accumulated amortisation	(287)	(660)	(907)	-	(1,854)
Carrying amount at start of period	452	46	83	-	581
Additions	-	-	-	114	114
Disposals – gross carrying amount	(18)	-	(990)	-	(1,008)
Disposals – accumulated amortisation	18	-	990	-	1,008
Impairment losses	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-
Amortisation expense	(220)	(46)	(83)	-	(349)
Carrying amount at 30 June 2020	232	-	-	114	346
Comprising:					
Gross carrying amount	721	706	-	114	1,541
Accumulated amortisation	(489)	(706)	-	-	(1,195)
Carrying amount at 30 June 2020	232	-	-	114	346

Software and website development

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Development costs

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

Campaign production costs

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

Website costs

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

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at a cost significantly less than fair value, the cost is their fair value at the date of acquisition.

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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

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

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

Subsequent measurement

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

5.3.1 Amortisation and impairment

Charge for the period

	2020	2019
	\$'000	\$'000
Amortisation		
Software and website development	220	151
Development costs	46	50
Campaign production costs	83	320
Total amortisation for the period	349	521

As at 30 June 2020 there were no indications of impairment to intangible assets.

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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

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

Impairment of intangible assets

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

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

5.4 Receivables

	2020	2019
	\$'000	\$'000
Current		
Receivables	38	4
Allowance for impairment of receivables	-	-
Accrued revenue	422	162
GST receivable	388	1,040
Total receivables	848	1,206

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

5.5 Prepayments

	2020	2019
	\$'000	\$'000
Event sponsorship	5,782	9,719
Marketing campaign activity	689	98
Licence, maintenance and support fees	59	573
Accommodation expenses	-	135
Other	108	72
Total prepayments	6,638	10,597

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

5.6 Amounts receivable for services (holding account)

	2020	2019
	\$'000	\$'000
Current	475	475
Non-current	5,095	5,570
Balance at end of period	5,570	6,045

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

5.7 Other non-current assets

	2020	2019
	\$'000	\$'000
Investments	300	229
Total other non-current assets	300	229

At 30 June 2020, Tourism WA held a 13.57% interest (2019: 13.57%) in the Australian Tourism Data Warehouse Pty Ltd, which is classified as a fair value through profit and loss financial asset in accordance with AASB 9. Its principal activity is the development of a database for Australian tourism products. Since there is no active market, the fair value is its liquidation value being working capital plus property, plant and equipment.

5.8 Payables

	2020	2019
	\$'000	\$'000
Current		
Trade payables	704	1,562
Accrued expenses	2,201	4,960
Accrued salaries	4	1
Total payables	2,909	6,523

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTE 6. FINANCING

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

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Capital commitments	6.4

6.1 Lease liabilities

	2020	2019
	\$'000	\$'000
Current	42	-
Non-current	101	-
Total lease liabilities	143	-

Tourism WA measures a lease liability, at the commencement date, at the present value of lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Tourism WA uses the incremental borrowing rate provided by the Western Australian Treasury Corporation.

Lease payments included by Tourism WA as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised); and
- Payments for penalties for terminating a lease, where the lease term reflects Tourism WA exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Periods covered by extension or termination options are only included in the lease term by Tourism WA if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, are recognised by Tourism WA in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 5.2.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

6.2 Finance costs

	2020	2019
	\$'000	\$'000
Finance costs		
Lease interest expense	3	-
Finance costs expensed	3	-

Finance costs represent the interest component of lease liability repayments.

6.3 Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Cash and cash equivalents	8,804	1,416
Restricted cash and cash equivalents		
- Royalties for Regions Fund ^(a)	2,012	824
Balance at end of period	10,816	2,240

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

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

6.4 Capital commitments

Tourism WA had no capital expenditure commitments at the end of the reporting period.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTE 7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Notes
Financial instruments	71
Contingent assets and liabilities	72

7.1 Financial instruments

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

	2020	2019
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	10,816	2,240
Financial assets at amortised cost ^(a)	6,030	6,211
Fair value through profit and loss financial asset	300	229
Total financial assets	17,146	8,680
Financial liabilities		
Financial liabilities measured at amortised cost	3,052	6,523
Total financial liabilities	3,052	6,523

^(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

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

7.2.1 Contingent assets

After seeking legal advice, Tourism WA is of the opinion that an event holder is in breach of contract based on non-delivery of obligations against a milestone contained in the relevant event sponsorship agreement. The value of the obligation in dispute, which has been paid to the event holder, is up to \$440,000 (inclusive of GST).

7.2.2 Contingent liabilities

Tourism WA has no contingent liabilities at reporting date.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTE 8. OTHER DISCLOSURES

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

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

8.1 Events occurring after the end of the reporting period

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

8.2 Initial application of Australian Accounting Standards

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers;
- Identifying separate performance obligations;
- Determining the transaction price of the contract;
- Allocating the transaction price to each of the performance obligations; and
- Recognising revenue when or as each performance obligation is satisfied.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 *Income of Not-for-Profit Entities*. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by Tourism WA.

Tourism WA has assessed contracts with customers and determined that no contracts were, or are, in place during the 2020 financial year or at reporting date. There is therefore no financial impact on Tourism WA in the adoption of AASB 15 and AASB 1058.

AASB 16 Leases

AASB 16 *Leases* supersedes AASB 117 *Leases* and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

Tourism WA applied AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus.

The main changes introduced by this Standard include identification of a lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) in the Statement of Financial Position as right-of-use assets and lease liabilities, except for short-term leases (with lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued at less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, Tourism WA takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a. right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate on 1 July 2019;
- b. depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- c. the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

The right-of-use assets are assessed for impairment at the date of transition and Tourism WA has not identified any impairments to its right-of-use assets.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

On transition, Tourism WA has elected to apply the following practical expedients in the assessment of leases that were previously classified as operating leases under AASB 117:

- a. a single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;
- b. where the lease term at initial application ended within 12 months, Tourism WA has accounted for these as short-term leases;
- c. initial direct costs have been excluded from the measurement of the right-of-use asset; and
- d. hindsight has been used to determine if the lease contracts contained options to extend or terminate the lease.

Tourism WA has not reassessed whether contracts were in place that contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

Measurement of lease liabilities

	\$'000
Operating lease commitments disclosed as at 30 June 2019	14,208
Less:	
Leases held by the Department of Finance (and not recognised as a lease liability by Tourism WA)	(13,668)
Short-term leases not recognised as a liability	(7)
Leases where no right-of-use determined in the application of AASB 16	(389)
Adjusted operating lease commitments	144
Discounted using incremental borrowing rate at date of initial application¹	105
Current lease liabilities	37
Non-current lease liabilities	68
Lease liability recognised at 1 July 2019	105

¹ The Western Australian Treasury Corporation incremental borrowing rate was used for the purpose of calculating the lease transition opening balance.

8.3 Key management personnel

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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

Compensation of members of the accountable authority

Compensation band (\$)	2020	2019
0 – 10,000	1	1
30,001 – 40,000	5	5
40,001 – 50,000	2	2
60,001 – 70,000	1	1
	\$'000	\$'000
Total compensation of members of the accountable authority	343	350

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

Compensation of senior officers

Compensation band (\$)	2020	2019
40,001 – 50,000	-	2
50,001 – 60,000	1	-
60,001 – 70,000	1	-
80,001 – 90,000	-	1
100,001 – 110,000	-	1
130,001 – 140,000	1	1
140,001 – 150,000	-	1
150,001 – 160,000	1	1
160,001 – 170,000	2	-
170,001 – 180,000	1	-
190,001 – 200,000	1	2
200,001 – 210,000	-	1
220,001 – 230,000	1	-
250,001 – 260,000	-	1
340,001 – 350,000	1	-
	\$'000	\$'000
Total compensation of senior officers	1,670	1,578

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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

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

8.4 Related party transactions

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

Related parties of Tourism WA include:

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

Material transactions with related parties

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

8.5 Related bodies

Tourism WA had no related bodies during the financial year.

8.6 Affiliated bodies

Business Events Perth (previously Perth Convention Bureau)

Tourism WA has an agreement with Business Events Perth (BEP) for the provision of business events marketing and promotional services. The current agreement expires 30 June 2021.

Tourism WA controls the activities of BEP to the extent that it provides the majority of BEP's funding and that BEP has contracted to submit its annual operation plan and budget for approval by Tourism WA prior to implementation. BEP is not subject to operational control by Tourism WA. BEP received more than 50% of its total funding from Tourism WA in 2019-20.

Payments inclusive of GST made to BEP in 2019-20 totalled \$6,439,399 (2018-19: \$5,865,553).

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Regional Tourism Organisations

Tourism WA has Marketing and Services Agreements with each of the five Regional Tourism Organisations (RTOs) in Western Australia to promote and market the regions. The RTOs comprise Destination Perth, Australia's Coral Coast, Australia's Golden Outback, Australia's South West and Australia's North West. The current agreements expire 30 June 2021.

The RTOs are not subject to operational control by Tourism WA but are required to submit their annual business plan for approval prior to implementation. All five RTOs received more than 50% of their total funding from Tourism WA in 2019-20.

Base payments, inclusive of GST, made to each RTO in 2019-20 were \$786,030 (2018-19: \$777,478). Total additional payments made to the RTOs in 2019-20 for other activities were \$466,604 (2018-19: \$675,329).

8.7 Remuneration of auditors

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

	2020	2019
	\$'000	\$'000
Auditing the accounts, financial statements, controls and key performance indicators	115	115
Auditing Royalties for Regions Annual Report financials	7	8
	122	123

8.8 Equity

	2020	2019
	\$'000	\$'000
Contributed equity		
Balance at start of period	10,486	10,336
<i>Contributions by owners</i>		
Capital appropriation	186	150
Total contributions by owners	186	150
Balance at end of period	10,672	10,486

4.0 DISCLOSURES AND LEGAL COMPLIANCE

8.9 Supplementary financial information

(a) Write-offs

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

	2020	2019
	\$'000	\$'000
The accountable authority	-	-
The Minister	-	-
Executive Council	-	-
	-	-

(b) Losses through theft, defaults and other causes

	2020	2019
	\$'000	\$'000
Losses of public money and public and other property through theft or default	-	8
Amounts recovered	-	-
	-	8

A suspected cyber fraud incident occurred during the 2019 year resulting in the payment of \$7,500 (plus GST) to an unknown third party. The matter is still under investigation by the Victoria Police and it is not yet known whether the amount will be recovered.

(c) Gifts of public property

	2020	2019
	\$'000	\$'000
Gifts of public property provided by Tourism WA	10	59
	10	59

8.10 Explanatory statement (controlled operations)

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019, are shown below. Narratives are provided for key major variances, which are generally greater than 10% and \$1 million for the Statements of Comprehensive Income, Financial Position and Cash Flows.

Estimates reported in this note represent original budget estimates. During the course of any given year, budgets are revised to account for new or adjusted Government initiatives through the whole-of-Government Mid Year Budget Review Process and other State Budget review processes.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF COMPREHENSIVE INCOME

	Variance Note	Original Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
COST OF SERVICES						
Expenses						
Employee benefits expense		411	377	369	(34)	8
Supplies and services		40,697	39,855	40,463	(1,112)	(608)
Depreciation and amortisation expense	1	2,042	541	604	(1,501)	(63)
Accommodation expenses	1	562	2,205	1,847	1,643	358
Grants and subsidies	2, a	800	5,914	1,381	5,114	4,533
Event operations expenses	3	31,300	24,418	26,137	(6,882)	(1,719)
Advertising and promotion expenses	3, b	25,500	15,890	29,504	(9,610)	(13,614)
Other expenses	c	177	47	1,105	(130)	(1,058)
Total cost of services		101,759	89,247	101,410	(12,512)	(12,163)
Revenue						
Commonwealth grants and contributions		14	14	99	-	(85)
Interest revenue		250	179	402	(71)	(223)
Other revenue		800	411	484	(389)	(73)
Total Revenue		1,064	604	985	(460)	(381)
Total income other than income from State Government		1,064	604	985	(460)	(381)
NET COST OF SERVICES		100,695	88,643	100,425	(12,052)	(11,782)
Income from State Government						
State grants and contributions		74,381	69,841	70,439	(4,540)	(598)
Services received free of charge	d	11,840	12,378	10,785	538	1,593
Royalties for Regions Fund	e	13,476	13,366	16,432	(110)	(3,066)
Total income from State Government		99,697	95,585	97,656	(4,112)	(2,071)
SURPLUS/(DEFICIT) FOR THE PERIOD		(998)	6,942	(2,769)	7,940	9,711

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF FINANCIAL POSITION

	Variance Note	Original Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents		4,029	8,804	1,416	4,775	7,388
Restricted cash and cash equivalents		-	2,012	824	2,012	1,188
Receivables		1,683	848	1,206	(835)	(358)
Prepayments	f	7,200	6,638	10,597	(562)	(3,959)
Amounts receivable for services		475	475	475	-	-
Total Current Assets		13,387	18,777	14,518	5,390	4,259
Non-Current Assets						
Amounts receivable for services		5,095	5,095	5,570	-	(475)
Property, plant and equipment	1	4,186	121	206	(4,065)	(85)
Right-of-use assets	1	-	141	-	141	141
Intangible assets		918	346	581	(572)	(235)
Other non-current assets		242	300	229	58	71
Total Non-Current Assets		10,441	6,003	6,586	(4,438)	(583)
TOTAL ASSETS		23,828	24,780	21,104	952	3,676
LIABILITIES						
Current Liabilities						
Payables	g 1	3,000	2,909	6,523	(91)	(3,614)
Lease liabilities		4,484	42	-	(4,442)	42
Provisions		79	139	123	60	16
Total Current Liabilities		7,563	3,090	6,646	(4,473)	(3,556)
Non-Current Liabilities						
Lease liabilities	1	-	101	-	101	101
Total Non-Current Liabilities		-	101	-	101	101
TOTAL LIABILITIES		7,563	3,191	6,646	(4,372)	(3,455)
NET ASSETS		16,265	21,589	14,458	5,324	7,131
EQUITY						
Contributed equity		10,636	10,672	10,486	36	186
Accumulated surplus/(deficit)		5,629	10,917	3,972	5,288	6,945
TOTAL EQUITY		16,265	21,589	14,458	5,324	7,131

4.0 DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF CASH FLOWS

	Variance Note	Original Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
CASH FLOWS FROM STATE GOVERNMENT						
State grants and contributions		74,381	69,841	69,739	(4,540)	102
Capital appropriation		150	186	150	36	36
Holding account drawdown		475	475	475	-	-
Royalties for Regions Fund	e	13,476	13,366	16,432	(110)	(3,066)
Net cash provided by State Government		88,482	83,868	86,796	(4,614)	(2,928)
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(411)	(347)	(372)	64	25
Supplies and services		(29,102)	(28,294)	(27,843)	808	(451)
Accommodation	1	(562)	(2,098)	(1,847)	(1,536)	(251)
Grants and subsidies	2, a	(800)	(5,964)	(1,383)	(5,164)	(4,581)
GST payments on purchases	h	(7,000)	(6,027)	(7,789)	973	1,762
Event operations payments	3, g	(28,000)	(22,191)	(30,763)	5,809	8,572
Advertising and promotion payments	3, b	(25,500)	(17,394)	(29,057)	8,106	11,663
Other payments	c	(177)	(171)	(1,266)	6	1,095
Receipts						
Commonwealth grants and contributions		14	14	99	-	(85)
Interest received		250	192	407	(58)	(215)
GST receipts on sales	h	60	1,027	413	967	614
GST receipts from taxation authority		6,940	5,943	7,416	(997)	(1,473)
Other receipts		775	228	255	(547)	(27)
Net cash used in operating activities		(83,513)	(75,082)	(91,730)	8,431	16,648
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(1,036)	(165)	(626)	871	461
Net cash used in investing activities		(1,036)	(165)	(626)	871	461
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease payments	1	(964)	(45)	-	919	(45)
Net cash used in financing activities		(964)	(45)	-	919	(45)
Net increase/(decrease) in cash and cash equivalents		2,969	8,576	(5,560)	5,607	14,136
Cash and cash equivalents at the beginning of the period		1,060	2,240	7,800	1,180	(5,560)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4,029	10,816	2,240	6,787	8,576

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Major Estimate and Actual (2020) Variance Narratives

1. The original 2020 budget estimates included the take-up of assets and liabilities for Government Office Accommodation (GOA) leasing arrangements to comply with the requirements of AASB 16 *Leases* that came into effect 1 July 2019. Subsequent guidance was published by the Department of Treasury, in conjunction with the Department of Finance, that these leasing arrangements fall out of scope of AASB 16 and are therefore no longer to be reported in the Statement of Financial Position. Leasing arrangements through the Department of Finance are now expensed as incurred.

The 2019-20 budget and mid-year review update had already been published when this change was effected. The accounting treatment change has resulted in a number of material variances between estimates and actuals for 2020 as follows:

Statement of Comprehensive Income

- Depreciation and amortisation expense – actual expenditure is less than original estimates of which \$1.3 million is attributable to Department of Finance leases that were subsequently out of scope of AASB 16.
- Accommodation expenses – approximately \$1.3 million more than originally estimated has been recognised to reflect the expensing of Department of Finance leases.

Statement of Financial Position

- Right-of-use assets – when original 2020 estimates were prepared, right-of-use assets were classified as 'Property, plant and equipment' but are now classified as a separate item in the Statement of Financial Position. Approximately \$4 million less than originally estimated has been recognised as right-of-use assets at 30 June 2020.
- Current and non-current lease liabilities – approximately \$4.3 million less than originally estimated has been recognised as lease liabilities under AASB 16 largely due to Department of Finance leases being out of scope.

Statement of Cash Flows

- Accommodation costs - approximately \$1.3 million more than originally estimated has been recognised to reflect the expensing of Department of Finance leases.
 - Principal elements of lease payments – almost \$1 million less than originally estimated has been recognised as the non-interest element of lease rental payments.
2. Grants and subsidies are greater than estimates and prior year due to the creation of the Tourism Recovery Grant program. A total of \$5.5 million in grants was paid in May and June 2020 to eligible small businesses in response to the significant COVID-19 impacts on the tourism industry.
 3. Event operations and advertising and promotion expenses are lower than original 2020 estimates and prior year actuals largely as a result of restrictions put in place on mass gathering and travel in the last quarter of the year in response to the COVID-19 pandemic. These restrictions have resulted in a number of sponsored events being postponed and the majority of international marketing activity being paused.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Major Actual (2020) and Comparative (2019) Variance Narratives

- a. See Note 2 above.
- b. See Note 3 above.
- c. Other expenses in the prior year included a \$1.03 million refund to Government of Royalties for Regions cash. The refund represented unused Regional Events Program funds (2015-16 to 2017-18).
- d. The increase in services received free of charge compared to the prior year is mostly due to a greater level of personnel services provided by the Department of Jobs, Tourism, Science and Innovation.
- e. The decrease in Royalties for Regions funding is the combined net result of:
 - new and expiring programs;
 - a decrease in funding, from 2019-20, for regional events; and
 - an increase in funding, from 2019-20, for regional tourism marketing.See Note 4.1 (b) in the notes to the financial statements for a breakdown of funded programs.
- f. Prepayments at the end of 2019 were substantially more than 2020 due to blockbuster events that were held at Optus Stadium in July and August 2019.
- g. Payables at the end of 2020 are significantly lower than prior year which can be mostly attributed to an overall decreased level of events and marketing activity in the last quarter of the year due to restrictions on mass gatherings and travel associated with the COVID-19 pandemic.
- h. GST payments on purchases and receipts from taxation authority are less than prior year which is the result of overall operating expenditure being lower than originally estimated due to COVID-19 impacts on the activities of Tourism WA.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

NOTE 9. ADMINISTERED DISCLOSURES

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

	Notes
Administered income and expenses	9.1
Explanatory statement for administered items	9.2

9.1 Disclosure of administered income and expenses

	2020	2019
	\$'000	\$'000
Income		
State grants and contributions	2,800	2,800
Total administered income	2,800	2,800
Expenses		
Grants and subsidies	2,800	2,800
Total administered expenses	2,800	2,800

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

9.2 Explanatory Statement for administered items

Performance between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019, is shown below. There were no variances for the year.

	Variance Note	Original Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Administered Items						
Income						
State grants and contributions		2,800	2,800	2,800	-	-
Total administered income		2,800	2,800	2,800	-	-
Expenses						
Grants and subsidies		2,800	2,800	2,800	-	-
Total administered expenses		2,800	2,800	2,800	-	-

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.3 Key Performance Indicators

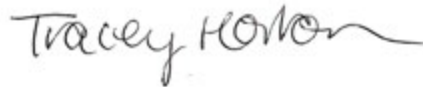
CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Tourism Commission's performance, and fairly represent the performance of the Western Australian Tourism Commission for the financial year ending 30 June 2020.



Nathan Harding
CHAIRMAN

28 August 2020



Tracey Horton
COMMISSIONER

28 August 2020

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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 fifth year they have been reported on. These changes occurred to more closely align agency KPIs with government goals. Where results are available and comparable, actuals for historical years have been provided.

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

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

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

Key Effectiveness Indicators

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

Key Efficiency Indicators

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

KEY EFFECTIVENESS INDICATORS

1. Total dollar amount spent by visitors in Western Australia

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

	2019-20 Target	Results			
		2019-20 Actual	2018-19 Actual	2017-18 Actual	2016-17 Actual
KPI 1 Total dollar amount spent by visitors in Western Australia	\$10.2 billion	\$11.0 billion	\$9.6 billion	\$9.1 billion	\$10.0 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 2019 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, while the IVS figures are based on interviews with international visitors at airport departure lounges across Australia.
- iv. Overnight Domestic Visitors Definition: Australian residents aged 15 years and over who spent at least one night away from home in Western Australia.
- v. Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in Western Australia.
- vi. Visitors include those travelling for all purposes including leisure, business, visiting friends and relatives and education.
- vii. Sample size for Western Australia: day trips n=2,553; interstate n=751; intrastate n=3,836; international n=5,747.
- viii. Confidence intervals for Western Australia: day trips \pm 1.94%; interstate \pm 3.58%; intrastate \pm 2.22%; international \pm 1.29%. These confidence intervals are calculated by Tourism WA based on total sample sizes
- ix. The response rate for the IVS is 59% and the NVS is 24%.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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).

	2019-20 Target	Results			
		2019-20 Actual	2018-19 Actual	2017-18 Actual	2016-17 Actual
KPI 2 Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	98.5%	97.8%	98.5%	99.0%

Notes:

- i. Visitor expectations are measured through the Visitor Expectation and Experience Research.
- ii. This is conducted through a face-to-face survey of intrastate, interstate and international visitors to WA.
- iii. Interviewing takes place across the full year to address seasonality issues. Data is analysed and reported annually.
- iv. In 2019-20, the final (3rd) wave of interviews, due to take place in April 2020, was cancelled due to travel restrictions put in place as a result of COVID-19.
- v. The KPI measure is based on a sample size of n=270 visitors for 2019-20.
- vi. This was made up of n=85 intrastate, n=73 interstate and n=112 international visitors.
- vii. The response rate for 2019-20 was 88%.
- viii. The confidence interval for the sample of n=270 interviews is +/-6% at the 95% confidence level. This confidence interval is based on total sample size.
- ix. The 2019-20 and prior year's targets have been set on the premise that at least 9 out of 10 visitors to/within Western Australia should say their holiday met or exceeded their expectations.

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

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

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

4.0 DISCLOSURES AND LEGAL COMPLIANCE

	2019-20 Target	Results			
		2019-20 Actual	2018-19 Actual	2017-18 Actual	2016-17 Actual
KPI 3 Value of cooperative marketing funds provided by the tourism industry	\$12 million	\$7.9 million	\$15.1 million	\$9.9 million	\$8.7 million

Notes:

Domestic cooperative marketing

- i. The domestic cooperative marketing program targets airlines, wholesalers, retailers, direct sell agents, and online travel agents to undertake joint campaigns with Tourism WA for WA product.
- ii. A national Expression of Interest (EOI) process is undertaken by Tourism WA each year to secure relevant trade partners in cooperative campaign activity for the domestic market.

For those partners approved for funding, Tourism WA shares the brand campaign strategy and media buy details to allow partner alignment where possible with WA brand bursts. Domestic marketing leverages the distribution partner relationships across a number of campaign platforms including niche digital marketing (WA landing pages), eDM, sharing of rich media assets, trade communications and incentives (retail agents), social marketing, destination content and PR strategies and holiday deals on westernaustralia.com.

International cooperative marketing

- iii. International cooperative marketing enables Tourism WA to leverage further economic benefit for the State through increased visitation, spend and brand awareness by working with selected partners in key source markets.

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

Combined total

- vi. The actual result for 2019-20 is significantly lower than the actual for 2018-19, and lower than the target set for 2019-20, largely due to the impact of bushfires, COVID-19 and the resultant closure of international and interstate borders.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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.

	2019-20 Target	Results			
		2019-20 Actual	2018-19 Actual	2017-18 Actual	2016-17 Actual
KPI 4 Direct economic impact of major events sponsorship	\$48 million	\$56.7 million	\$52.3 million	\$56.8 million	\$56.8 million

Notes:

Major events definition

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

Direct economic impact

- ii. Direct economic impact is defined as the amount of new money that enters the WA economy as a direct result of an event (i.e. the money would not enter the economy if the event was not held). That is any event related spend in the State by non-WA individuals and organisations, minus any spend outside of the State by WA individuals and organisations. For events held in the State specifically for Western Australians to attend, an independent measure of the local economic activity generated by the event is determined. This represents the amount of event-related spend by WA individuals that flows through the WA economy.
- iii. The two measures used to determine direct economic impact are as follows:

State Economic Impact (SEI) – money into the State economy (inbound measure, interstate and international – including participants, spectators and organisers)

Regional Economic Impact (REI) – money into the region/moving around the State economy (intrastate measure)

- iv. SEI and REI are mutually exclusive because they are applied to different events. No event has both SEI and REI applied to it.
- v. The economic impact is based on the most recently completed studies for the events. Multi-year events have a study conducted at least once every three years. Studies are conducted for all one-off events. If a significant change is made to a multi-year event, a study is conducted.
- vi. The actual result for 2019-20 has exceeded the target set. This is primarily because the results for one event were significantly higher than the feasibility study had indicated. Furthermore, when the target was set nine events were in scope, three additional events were added, but three events were cancelled due to COVID-19. The value of the three added events were higher than the value of the events which were cancelled.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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.

	2019-20 Target	Results			
		2019-20 Actual	2018-19 Actual	2017-18 Actual	2016-17 Actual
KPI 5 Direct media impact of major events sponsorship	\$94.5 million	\$162.5 million	\$167.3 million	\$122.3 million	\$156 million

Notes:

Major events definition

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

Media Impact

- ii. **Media Impact (MI)** is defined as 1.) The dollar value of Western Australian tourism imagery and branding (including video postcards of WA tourism destinations, verbal commentary mentions about the destination, on-screen graphics and signage) integrated into television production related to the events plus 2.) The dollar value of the number of mentions of Western Australia in traditional periphery media (e.g. print, radio etc) as a result of the event.

- iii. It is measured by independent media evaluation companies. In line with the rest of the agency, 100% of the Advertising Equivalent Value (AEV) is counted.
- iv. The media impact is based on the most recently completed studies for the events. Multi-year events have a study conducted at least once every three years. Studies are conducted for all one-off events. If a significant change is made to a multi-year event, a study is conducted.
- v. From 2019-20 the methodology for MI changed to exclude WA results for Perth-based events.
- vi. The 2019-20 actual result is significantly more than the target set for 2019-20 because the results for two events were significantly higher than the feasibility study had indicated. Furthermore, when the target was set nine events were in scope, three additional events were added, but three events were cancelled due to COVID-19. The value of the three added events was significantly higher than the value of the events which were cancelled.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

KEY EFFICIENCY INDICATORS

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

7. Event Tourism administrative costs as a proportion of Total Cost of Service allocated to Event Tourism

8. Tourism Destination Development administrative costs as a proportion of Total Cost of Service allocated to Tourism Destination Development

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

	2019-20 Target	Results			
		2019-20 Actual	2018-19 Actual	2017-18 Actual	2016-17 Actual
KPI 6 Tourism Destination Marketing administrative costs as a proportion of Total Cost of Service allocated to Destination Marketing	22%	28%	20%	21%	23%
KPI 7 Event Tourism administrative costs as a proportion of Total Cost of Service allocated to Event Tourism	10%	12%	12%	10%	14%
KPI 8 Tourism Destination Development administrative costs as a proportion of Total Cost of Service allocated to Tourism Destination Development	59%	32%	43%	31%	34%

Notes:

- i. The percentage shown is the cost of service division overheads and corporate overheads allocated to the service division divided by total cost of services for the division.
- ii. Allocation of the cost of corporate and executive services to each service division is determined by the proportion of FTE numbers in each division.
- iii. The variances against the 2019-20 Target are due to impacts of the COVID-19 pandemic on the activities of the agency in the latter half of the year.

For KPIs 6 and 7, restrictions imposed on travel and mass gatherings, in response to the pandemic, resulted in Destination Marketing and Event Tourism activity being postponed or cancelled. Expenditure for the year was therefore lower than budgeted, without a proportionate decrease in administrative costs.

For KPI 8, total costs for the year include grants paid under the Tourism Recovery Program, in response to the significant impacts of COVID-19 on small tourism businesses in Western Australia, without a proportionate increase in administrative costs.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

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.

Treasurer's Instruction 903 (12) requires statutory authorities to disclose, in their annual reports, information about Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities and financial activities.

Tourism WA did not receive any Ministerial directives related to these requirements during 2019-20.

4.5 Other Financial Disclosures

4.5.1 CAPITAL WORKS

For 2019-20, Tourism WA's asset replacement program included the acquisition of computing and furniture and fitting assets for the new accommodation space at 1 William Street, Perth. Work also commenced on the development of a new digital marketing content system.

4.5.2 EMPLOYMENT AND INDUSTRIAL RELATIONS

Our people

As a result of Machinery of Government changes effective from July 1, 2017, the Department of Jobs, Tourism, Science and Innovation became the employing authority of Tourism WA personnel. The department provides personnel to Tourism WA to undertake operational activities. As at June 30, 2020, 103 full time equivalents (FTEs) were assigned to Tourism WA. Of these employees, 74 per cent are female and 26 per cent male. Women continue to be well represented in the senior leadership team of Tourism WA (Tiers 1 – 3) comprising 68 per cent of this group.

	2018-19		2019-20	
	Male	Female	Male	Female
Tier 1, 2 and 3 (FTE)	7.6	19	9.6	20.1
Tier 1, 2 and 3 (%)	29%	71%	32%	68%
Total agency (FTE)	19.6	69.1	26.6	76.4
Total agency (%)	22%	78%	26%	74%

Notes: Full time equivalents (FTE) employees assigned to Tourism WA as at June 30, 2020. The above includes employees on paid extended leave such as maternity leave, however, does not include those on unpaid leave. Tier 1, 2 and 3 represent Tiers for Tourism WA, with the Managing Director of Tourism WA as Tier 1.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Workers' compensation

Through services and support provided by the department, Tourism WA complies with the *Workers' Compensation and Injury Management Act 1981*. All injury management actions focus on the employee returning safely to meaningful work following illness or injury. Advice and support to employees and line managers is provided by Human Resources and is tailored to the individual circumstances.

4.6 Other Legal Requirements

4.6.1 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.

	2019-20
	\$'000
(a) Advertising agencies	972
(b) Market research organisations	1,293
(c) Polling organisations	-
(d) Direct mail organisations	-
(e) Media advertising organisations	4,728
	6,993
(a) Advertising agencies	
Cummins & Partners	270
The Monkeys	702
	972
(b) Market research organisations	
BDA Marketing Planning Pty Ltd	52
Faster Horses Pty Ltd	70
Isentia Pty Ltd	54
Kantar Public Australia Pty Ltd	216
Metrix Consulting Pty Ltd	454
Nielsen Sports Pty Ltd	157
Roy Morgan Research Pty Ltd	59
STR Global Ltd	16
The Lab Insight & Strategy Melbourne Pty Ltd	169

	2019-20
	\$'000
Thing! X Innovations Inc	24
Thinkfield	17
Velrada Capital Pty Ltd	5
	1,293
(e) Media advertising organisations	
Big Head Digital	14
Broadsheet Media Pty Ltd	17
Buzz Marketing	11
Carat Australia Media Services Pty Ltd	3,821
Initiative Media Australia Pty Ltd	437
Media Equation Pty Ltd	17
Seven Network (Operations) Limited	36
Story(ation) Pty Ltd	73
The Brand Agency Unit Trust	209
The KP Collective	22
Travelwest Publications Pty Ltd	2
Travmedia.Com Pty Ltd	6
Two From Two	35
WTFN Entertainment Pty Ltd Total	28
	4,728

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.6.2 UNAUTHORISED USE OF CREDIT CARDS

Personnel assigned to Tourism WA hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under Tourism WA's credit card policy, 15 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 of low value, immaterial and characteristic of an honest mistake.

	2020
Number of instances the Western Australian Government Purchasing Cards have been used for personal purposes	59
Aggregate amount of personal use expenditure for the reporting period	\$2,638
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$2,226
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	\$412
Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period	\$166
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	-

4.6.3 DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

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

The seven desired outcomes in the DAIP are supported by strategies to address the gaps identified in meeting the legislative requirements.

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

During 2019-20, the following activities were progressed:

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

Tourism WA is proud of its world-class events calendar and the appeal these events have to national and international visitors. The event holders of all events sponsored by Tourism WA are required to use their best endeavours to ensure that, in respect to the event, they facilitate the

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

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

Tourism WA maintains its Perth offices to facilitate ease of access for all people and always ensures

4.0 DISCLOSURES AND LEGAL COMPLIANCE

that advice is sought when planning and designing any facilities or undertaking major refurbishments.

Tourism WA moved to new premises during 2019-20 and these premises meet all current access standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

4.6.4 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 report on compliance with the public sector standards and ethical codes.

Tourism WA is committed to fostering a culture of ethical behaviour and ensuring the highest standards of integrity and transparency in all interactions.

All new employees receive a comprehensive corporate induction with a strong focus on the expectation of highly ethical behaviour, declarations of conflicts of interest and responsibility for reporting suspected unethical

4.0 DISCLOSURES AND LEGAL COMPLIANCE

behaviours or actions. The Code of Conduct and Conflict of Interest Policy, along with supporting policies, are available to all employees.

In 2019-20, an internal Conflict of Interest audit was conducted. The audit identified that processes and controls in place were operating effectively, with minor recommendations for

additional enhancement to the Conflict of Interest Framework. Progress on recommendations will be reported regularly to the Board.

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

In 2019-20, no breach claims against the public sector standards were received. No reports of non-compliance were lodged with respect to the Code of Ethics or the Department of Jobs, Tourism, Science and Innovation's Code of Conduct.

4.6.5 RECORD-KEEPING PLAN

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

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

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

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 was approved in 2018 and applies until 2022.

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

Staff training and awareness

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

Focused training sessions are conducted regularly and available to all staff. In addition, experienced Information Management staff are available to provide record-keeping advice and Electronic Document and Records Management System training on a one-on-one, ad hoc or project basis.

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

Fact sheets have been created for staff training purposes and are available on the corporate intranet. Also, regular communication to staff on records management is provided.

Performance indicators

Performance indicators on the efficiency and effectiveness of record-keeping programs and systems are submitted to the Chief Information Officer each month.

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

Evaluation of record-keeping systems

Tourism WA maintains and evaluates its record-keeping system as follows:

The record-keeping system infrastructure is maintained at latest release levels to comply with required standards.

Regular reviews of the record-keeping system ensure its effectiveness and efficiency in meeting compliance and operational requirements.

Additional functions within the record-keeping system, such as workflow functionality, are utilised when required.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.7 Government Policy Requirements

4.7.1 OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

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

The Department of Jobs, Tourism, Science and Innovation provides human resource services including workplace safety and health to Tourism WA. A common integrated occupational safety and health management system and framework has been developed to meet both the department and Tourism WA's duties under the *Occupational*

Safety and Health Act 1984 and aligns with the *Code of Practice, Occupational Safety and Health in Western Australian Public Sector*. An external audit of Tourism WA's Occupational Health and Safety management system was undertaken in August 2018. The one improvement opportunity identified has been incorporated into the integrated occupational safety and health management system.

During 2019-20, following Tourism WA's Perth office relocation, Tourism WA and the department's

Occupational Safety and Health Committees combined. The Committee meet quarterly and continue to provide a key occupational safety and health consultative mechanism within Tourism WA and the department, actively working to promote and resolve any safety issues or hazards. All members are accessible to both management and employees in the discussion and resolution of occupational safety and health issues and related matters.

Performance indicators for 2019-20 (For department employees assigned to Tourism WA only)

Measure	2017-18	2018-19	2019-20	Target	Comments towards targets
	Actual	Actual	Actual		
Number of fatalities	0	0	0	0	Achieved
Lost time injury and/or disease incidence rate	0	1.1%	0	0 or a 10% reduction	Achieved
Lost time injury and severity rate	0	0	0	0 or a 10% reduction in severity rate	Achieved
Percentage of injured workers returned to work (i) within 13 weeks	N/A	100%	N/A	Greater than or equal to 80%	N/A
Percentage of injured workers returned to work within 26 weeks	N/A	100%	N/A	Greater than or equal to 80%	N/A

4.0 DISCLOSURES AND LEGAL COMPLIANCE

Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within three years.

68%

0

0

Greater than or
equal to 80%Not achieved.
Training for managers
is planned for 2020-21

4.7.2 BOARD REMUNERATION

Remuneration of the Board of Commissioners of the Western Australian Tourism Commission in 2019-20 was as follows:

Position	Name	Period of membership	Remuneration
Chairman	Nathan Harding	1 July 2019 to 30 June 2020	63,690
Deputy Chairman	Manny Papadoulis	1 July 2019 to 30 June 2020	37,012
Commissioner	Dianne Bain	1 July 2019 to 30 June 2020	37,012
Commissioner	Kevin Brown*	1 July 2019 to 30 June 2020	-
Commissioner	Valerie Davies	1 July 2019 to 30 June 2020	43,806
Commissioner	Bruce Davis	15 October 2019 to 16 January 2020	9,747
Commissioner	Kia Dowell	1 July 2019 to 30 June 2020	37,012
Commissioner	Tracey Horton	1 July 2019 to 30 June 2020	37,012
Commissioner	Karen Priest	1 July 2019 to 30 June 2020	37,012
Commissioner	Linda Wayman	1 July 2019 to 30 June 2020	40,936
Total			343,239

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

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



Tourism
WESTERN AUSTRALIA



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