A photograph of the Perth Harbour Bridge in Western Australia, taken from a low angle looking up at its massive arch. The bridge's arch is a light tan color and dominates the upper half of the frame. Below the bridge, the Perth city skyline is visible, featuring several modern skyscrapers with glass facades. The sky is a mix of blue and purple, suggesting dusk or dawn. In the foreground, the water of the harbour is visible, with some lights reflecting on its surface. A large, white, circular sculpture is situated on the waterfront near the water's edge. The overall scene is a vibrant and modern urban landscape.

TOURISM WESTERN AUSTRALIA
Annual Report
2015-16

**WESTERN
AUSTRALIA**
EXPERIENCE EXTRAORDINARY





Cottesloe Beach, Perth

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MESSAGE TO THE MINISTER

To the Honourable Colin Barnett MLA
Premier
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, 2016.

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

Peter Prendiville
CHAIRMAN
WESTERN AUSTRALIAN TOURISM COMMISSION
September 2, 2016



Elizabeth Quay, Perth



1.0 OVERVIEW

1.1 EXECUTIVE SUMMARY

MESSAGE FROM THE CHAIRMAN

I am pleased to present Tourism Western Australia's annual report for the 2015-16 financial year.

The past year was a pivotal one for the tourism industry in Western Australia. We launched Just Another Day in WA, the biggest and most diverse marketing campaign under the State's Experience Extraordinary brand and we made some significant progress in our Perth Stadium events activation strategy, in particular receiving funding to attract events to this magnificent new facility. We saw the opening of Elizabeth Quay, the first piece of several major State infrastructure developments, which sits at the centre of Perth's dramatic transformation.

2015-16 was a successful year in terms of the economic contribution the tourism industry made to the State's economy. In the 12 months to June 30, 2016 visitors to and within WA contributed \$9.6 billion to the State's economy through visitor spend. At the current level this means we are on track to achieve our goal of \$12 billion per year by 2020. However, recent visitor statistic results indicate Western Australia is losing market share in some sectors which may impact on reaching that goal.

The Tourism WA Board has initiated an assessment of the State Government Strategy for Tourism to 2020. As we are at the halfway point of the strategy, following its launch in 2012, it makes sense to check our aims and progress, especially given the substantial changes that have occurred in the WA tourism industry in recent times. For example, WA's visitor spend was greatly impacted by the corporate sector, which is now declining as the construction phase of the resources industry reduces. This presents an opportunity to reposition Perth and regional WA to attract more holiday and leisure visitors.

In addition, key infrastructure developments such as Elizabeth Quay and Perth Stadium, as well as the 2,000 new hotel rooms planned for Perth, and thousands more in revamped accommodation offerings, were not confirmed at the time the strategy was developed. The public and private investment in these important pieces of infrastructure will have a major impact on WA's tourism industry. With Perth's transformation well under way, Tourism WA is continuing to pursue the development of destinations in other parts of the State, to strengthen our tourism offering. We are identifying the key points of difference for destinations such as Rottnest Island and the Swan Valley, and to ensure what is on offer in all locations meets guests' expectations.

We want our visitors to have a great time during their visit to WA and want to return.

Tourism WA is also focusing on repositioning Perth as a vibrant and affordable destination. During the resources growth period, the city gained a reputation for its accommodation being full, expensive and poor value for money. As a result, our hoteliers also gained a reputation for not having the capacity to work with national and international travel distributors. But things have changed and we are working with WA's tourism businesses to get the message out to the travel industry that Perth is a different place, open to leisure visitors and our hotels are ready to do business.

This annual report outlines the effort that Tourism WA has undertaken on behalf of the State's tourism industry over the past 12 months. I would like to thank the staff across all of the agency's divisions for their dedication and achievements. I would also like to thank my fellow Board members for their contributions and recognise our three newest members Elizabeth Gaines, Tracey Horton and Ian Thubron.

I would like to take this opportunity to acknowledge the former Minister for Tourism, Dr Kim Hames for his dedication to the tourism role, and I'd like to acknowledge the new Tourism Minister, Premier Colin Barnett. His appointment demonstrates the importance the State Government places on this portfolio.

Finally, I would like to take this opportunity to formally thank Stephanie Buckland for her significant contribution to Tourism WA over the past eight years-six of those as CEO. Stephanie was a driving force in gaining for the tourism industry the recognition it deserves, and leading the collaboration between industry, Tourism WA and a number of other government agencies during her time at Tourism WA.



Peter Prendiville

CHAIRMAN



ACTING CHIEF EXECUTIVE OFFICER'S MESSAGE

Tourism has been recognised by the State Government as one of the key industries for broadening Western Australia's economy and promoting growth. With fluctuating commodity prices and a transition from construction to production in the resources sector, growing WA's tourism industry is key to securing the State's economic future.

In 2015-16, people who travelled to and within WA contributed \$9.6 billion to the State's economy through visitor spend. The industry also generates more than 94,000 jobs, which is around 7 per cent of the State's workforce.

As a State Government agency, Tourism Western Australia plays an important role in ensuring the conditions are right so the tourism industry can flourish. Our work is defined by the State Government Strategy for Tourism in Western Australia 2010 -2020. The goal of the strategy is to increase the value of tourism to \$12 billion by 2020.

The 2015-16 year marked the halfway point of the State Government Strategy for Tourism. The first phase of the strategy focused on increasing supply-ensuring tourism was recognised as a key economic driver for WA, getting much needed additional hotel rooms for Perth, improving air access and ensuring tourism was a consideration in major infrastructure developments such as Elizabeth Quay and Perth Stadium.

Of course, we were still actively marketing the State during this phase, but now that the infrastructure projects and hotels are well under way, the next phase of the strategy swings into action. That involves driving extra demand, through an even greater emphasis on marketing and events.

The Tourism WA Board is undertaking a refresh of the strategy to ensure that it is focusing on the areas that will help achieve our goal. The review process should be completed towards the middle of 2016-17, but importantly, that does not stop us focusing on driving demand.

One of the keys will be our new and biggest marketing campaign under the Experience Extraordinary brand - Just Another Day in WA - which was launched by the Premier on June 10, 2016.

The campaign marks a fundamental shift in the way Tourism WA promotes the State as a leisure destination. It employs a greater variety of campaign assets that are particularly suited for digital and social media use. It will also reach a global audience through Tourism WA's cooperative advertising partners including airlines, accommodation providers and tour operators.



Extensive research carried out during the campaign's development revealed that few people outside of WA were aware of the transformation of Perth and its surrounds, or appreciated how Western Australia was different from other places in the country.

To address these knowledge gaps, Just Another Day in WA features Perth content and highlights what is unique about regional WA. Our recent tourism marketing campaigns have focused almost exclusively on regional WA but greater Perth has undergone some dramatic changes and has much to offer as a destination in its own right. And as Perth continues to evolve, so will the campaign and we will be able to share more Perth stories with the world, targeted specifically for each individual market.

Alongside our marketing, we have focused heavily on driving demand through events, which provide a time-certain opportunity for people to visit. Some of the highlights for 2015-16 include hosting the Socceroos for the first time in 10 years in their bid to qualify for the FIFA World Cup in 2018; one of the most successful Hopman Cups in the event's history; another highly successful Margaret River Gourmet Escape; and Tim Minchin performing in the opening act of the Perth International Arts Festival.

Tourism WA's Events division is continuing to secure high profile, high visitation events for the new Perth Stadium when it opens in time for 2018. These events, such as the recently announced NRL State of Origin match in 2019, have the potential to attract thousands of visitors to Perth, and regional Western Australia.

In 2015-16, we saw the opening of Perth's first major infrastructure project, Elizabeth Quay and the refurbished State Treasury Buildings, which includes a hotel, shops, bars and restaurants. With more Perth infrastructure coming on line, Tourism WA, through our Destination Development division, has increased its focus on supply side matters in regional WA. We are working with government and industry to determine the needs of key destinations in terms of access, accommodation, attractions and amenities, and will look at how any gaps can be filled through private and public investment.

It is pleasing to see the role of tourism in Western Australia's economy being more widely recognised and elevated in 2015-16. I look forward to this important industry continuing to grow for the benefit of all West Australians.

A handwritten signature in black ink that reads "Gwyn Dolphin".

Gwyn Dolphin

ACTING CHIEF EXECUTIVE OFFICER

As at July 25, 2016 following the resignation of Stephanie Buckland

1.2 OPERATIONAL STRUCTURE

Enabling legislation

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

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

Responsible Minister

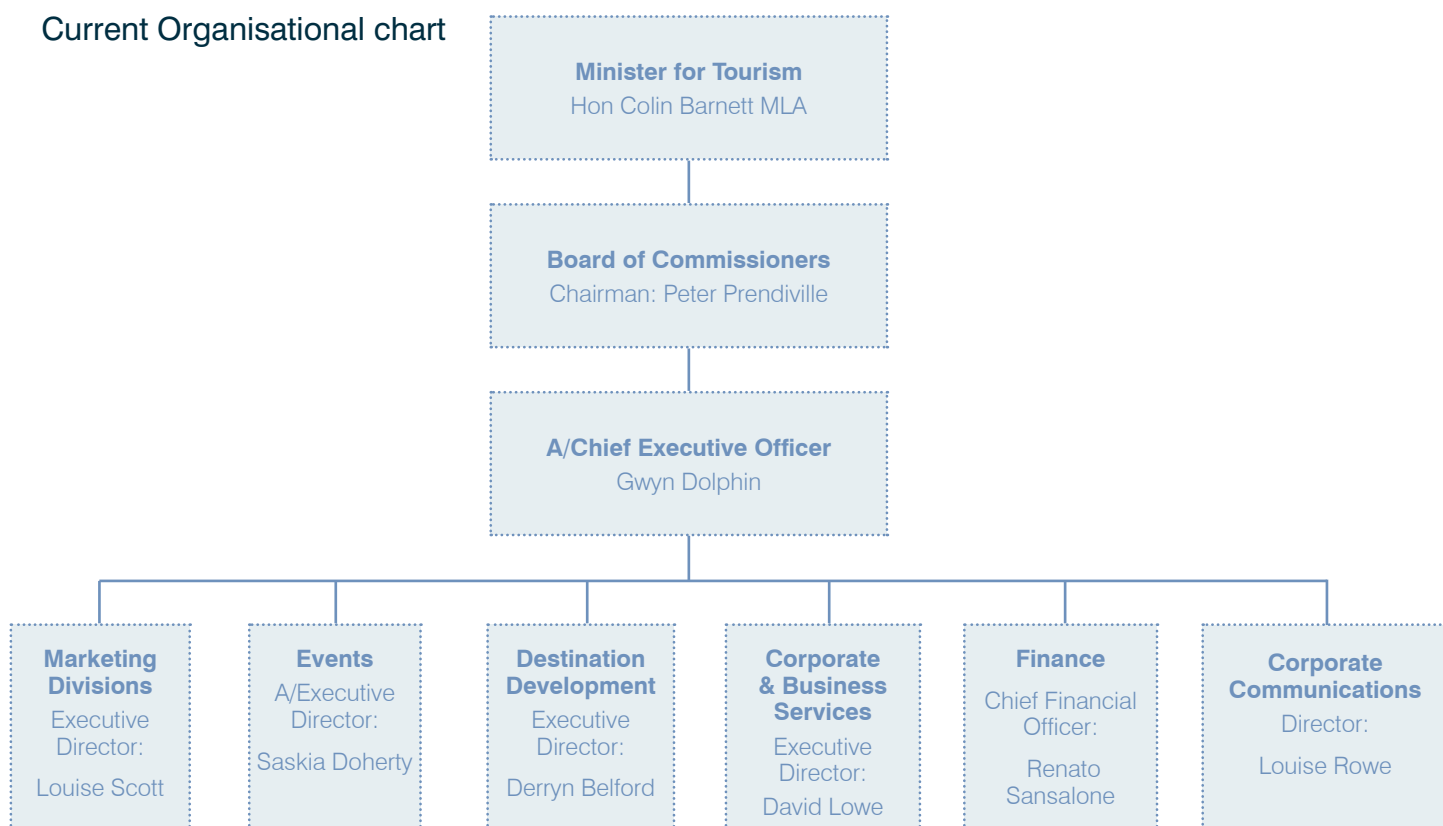
The Ministers responsible for Tourism WA during 2015-16 were the Hon Dr Kim Hames MLA from July 1, 2015 to March 31, 2016 and then the Hon Colin Barnett MLA until June 30, 2016.

Our vision

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

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

Current Organisational chart



Administrative legislation

Tourism WA operates under the *Western Australian Tourism Commission Act 1983*.

Other key legislation

Key legislation impacting on our operations includes:

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

Board of commissioners

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

Rottnest Island, Perth



BOARD OF COMMISSIONERS

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

Board Profiles

Peter Prendiville – Chairman

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

Mr Prendiville's term began on September 1, 2011 and he became Chairman on July 1, 2012. He also sits on Tourism WA's Destination Development Committee and the Audit and Risk Committee.

Howard Cearns – Deputy Chairman

Howard Cearns is an experienced brand marketer and entrepreneur. A career in marketing with Matilda Bay and Lion Nathan led to the founding of Little Creatures Brewery in Fremantle with friends; a business sold to Japan's Kirin Corporation in 2012. He and partners recently opened the Alex Hotel in the cultural precinct of central Perth and established the Hippocampus craft distillery in 2015. Other involvements include the development of the State Buildings Project, brainCELLS Creative Marketing and Boatrocker Brewery in Melbourne. Mr Cearns worked for Budget Rent a Car early in his career and gained significant sponsorship and event experience as the Swan Brewery's marketing director. He was made Lion Nathan's group Innovation Director in 1996. Mr Cearns' term began July 1, 2006 and he became Deputy Chairman on July 1, 2012. He is also the chair of Tourism WA's Events Committee and sits on the Strategic Marketing Committee.

Valerie Davies

Valerie Davies is the Managing Director of One.2.One Communications Pty Ltd, a consultancy specialising in issues management and corporate communications advice. Ms Davies is a former winner of Telstra Businesswoman of the Year for Western Australia and a past vice-president of the Australian Institute of Company Directors WA Division.

Currently, she serves on the board of Event Hospitality and Entertainment Limited (one of Australia's premier entertainment technology, hospitality, tourism and leisure companies), HBF Health Ltd and Cedar Woods Properties Limited. Ms Davies is past director of a variety of organisations including Tourism Australia, ScreenWest, Iluka Resources Limited, Integrated Group Limited, Gold Corporation, Amcon Solutions Group, Relationships Australia, Youth Focus and Fremantle Hospital and Health Service. Aside from her board work, Ms Davies' career spans more than 30 years across a spectrum of industries including media, marketing and television production. Her term began on July 1, 2013 and she is also a member of Tourism WA's Strategic Marketing Committee and the Destination Development Committee.

Alistair (Al) Donald

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

Elizabeth Gaines

Elizabeth Gaines was formerly the Chief Executive Officer and Executive Director of Helloworld Limited, an ASX-listed travel distribution company. Ms Gaines is a Non-Executive Director of Fortescue Metals Group, Nine Entertainment Co Holdings Limited, Impedimed Limited and NextDC Limited. Her past non-executive directorships have included Mantra Group Limited, Heytesbury Pty Ltd and John Holland Group Pty Ltd. Ms Gaines has held senior treasury and finance roles at BankWest in Australia and Kleinwort Benson and Entertainment Rights PLC in the UK. She qualified as a Chartered Accountant with Ernst & Young. In recent years she has undertaken extensive work in travel distribution across retail, online, wholesale and corporate channels. Ms Gaines is experienced in digital businesses and the impact of the growth in Asian economies on the Australian business environment. She is a member of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and Chief Executive Women and holds both a Bachelor of Commerce and Master of Applied Finance degrees.

Ms Gaines' term commenced November 1, 2015 and she sits on both the Events and Strategic Marketing committees.

Nathan Harding

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

Tracey Horton

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

Nicole Lockwood

Nicole Lockwood is the owner and principal of Lockwood Advisory, which focusses on government, regional development, infrastructure and stakeholder engagement. Ms Lockwood has a career spanning a range of fields including local government, regional economic development, law, events and corporate governance. Until starting her own practice, she was a Director at KPMG, in the areas of public sector and infrastructure, and serves on the boards of Leadership Western Australia, Water Corporation and Infrastructure Australia. Ms Lockwood's directorships have included the Regional Development Council, Pilbara Development Commission, Western Australian Planning Commission, Horizon Power,

Road Freight Transport Industry Council and Shire of Roebourne, where she was president for two years. She has also worked as a lawyer in private practice, at the Office of the Director of Public Prosecutions and as Pilbara Community Legal Service's principal solicitor. Ms Lockwood's term began on January 1, 2015; she is chair of Tourism WA's Destination Development Committee and a member of the Audit and Risk Committee.

Neville Poelina

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

Ian Thubron

Ian Thubron is founder and Chairman of AsiaStrategies, NED of Titan Digital, Director of Golf's Great Walks Ltd, a member of the International Advisory Board of inPACT Marketing, and a consultant to Western Australian Museum Foundation. After graduating from Cambridge University in 1987, Mr Thubron began his career with J.P. Morgan in New York as a Corporate Finance Executive. He returned to London and embarked on a 25-year career in the advertising industry with some of the world's largest agencies. In London, Mr Thubron joined Saatchi & Saatchi, moving to Hong Kong in 1991. Since that time he worked in a variety of management and operating roles for Euro RSCG, M&C Saatchi, Ogilvy & Mather; and from 2004 until 2016 as Executive Vice President of TBWA\Asia Pacific and President of TBWA\Greater China. Under Mr Thubron's leadership, TBWA grew dramatically across the region, expanding its services from core advertising to include digital marketing, shopper and retail marketing, PR and social media, events and brand experience. In 2016, Mr Thubron relocated from Hong Kong to Perth and founded AsiaStrategies, an advisory firm for brands and companies entering the Asia Pacific region. Mr Thubron's term commenced November 1, 2015 and he sits on both the Events and Strategic Marketing committees.



Bunbury, the South West

Tourism WA Board meetings and attendance

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

	Meetings attended	Meetings eligible to attend
Peter Prendiville	7	7
Howard Cearns	5	7
Valerie Davies	6	7
Al Donald	7	7
Elizabeth Gaines (term began Nov 2015)	5	5
Nathan Harding	7	7
Tracey Horton (term began Nov 2015)	5	5
Nicole Lockwood	7	7
Neville Poelina	5	7
Ian Thubron (term began Nov 2015)	5	5

Declarations of interest

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

Independent external advice

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

Committees

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

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



Rockingham, Perth

Executive Management Team

As at June 30, 2016 the Chief Executive Officer, five Executive Directors, Executive Services Manager, Chief Financial Officer and Director Corporate Communications make up the Executive Management Team.

Stephanie Buckland Chief Executive Officer

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

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

Stephanie, who was born and raised in the USA, has an undergraduate degree in Marketing from the Pennsylvania State University and a Masters in Business Administration from the University of Virginia. Stephanie was appointed Chief Executive Officer in April 2011 after acting in the role from January 2010, and resigned from the position in July 2016.

Gwyn Dolphin

A/Executive Director Markets and Partnerships

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

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

Gwyn was appointed Acting Chief Executive Officer in July 2016 following Stephanie Buckland's resignation.

Derryn Belford

Executive Director Destination Development

Derryn joined Tourism WA in 2008 from a 20-year career as research and strategy consultant across a wide range of industries. She has held several roles since joining the agency, including Research Manager and Director Strategy and Policy. In the latter role she led the development of the State Government Strategy for Tourism 2020, which was launched by the Premier in December 2012.

Derryn has been the Executive Director Infrastructure and Investment since September 2013, and her role is to lead the team responsible for the facilitation of strategic tourism infrastructure in Western Australia. Derryn has a Bachelor of Science degree from The University of Western Australia,



Dampier Peninsula,
The Kimberley

and a Master of Business Administration. She is also a graduate and member of the Australian Institute of Company Directors.

Saskia Doherty
A/Executive Director Events

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

David Lowe
Executive Director Corporate and Business Services

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

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

Louise Scott
Executive Director Strategy, Brand and Marketing Services

Louise Scott has held a number of senior roles in both the public and private sector and has more than 20 years' experience in marketing, communications, economic development, tourism and events management.

Louise joined Tourism WA in January 2016 and prior to this was the head of Marketing, Communications and Events for the City of Perth.

Louise is a graduate of the Robert Gordon University, with an Honours Degree in Hospitality Management and is currently working towards an MBA at The University of Western Australia. She is also a Member of the Chartered Institute of Marketing, a Member of Local Government Managers Australia and a board member of Ausdance WA.

Louise Rowe
Director Corporate Communications

Louise Rowe joined Tourism WA in April 2015. She has extensive experience in broadcast journalism, having worked predominantly in the studios and newsroom at 6PR and 96fm in Perth where her roles included current affairs talkback host, producer and newsreader. Following her radio career, Louise joined the Department of Corrective Services in Western Australia where she specialised in government corporate communications and issues management, responsible for media management, ministerial liaison and stakeholder communications. She completed a cadetship in journalism in 1993 and has an Advanced Diploma of Business Management.

Carroll Selwood
Manager Executive and Strategic Services

Carroll Selwood began her career working for a West Australian tour operator and has more than 24 years' experience in the tourism industry, including 21 years with Tourism WA. For the past 15 years, she has operated in managerial roles

and delivered several important projects including the decommissioning of the Office of Shared Services. Carroll has also worked for Westpac and the Department of Finance.

Renato Sansalone
Chief Financial Officer

Renato Sansalone joined Tourism WA in March 2012 and has more than 20 years' experience working in finance-related positions within the WA Public Sector. Previous agencies include the Department of Culture and the Arts where he held CFO positions for the Art Gallery of WA and the WA Museum, the then Department for Planning and Infrastructure (now Department of Planning and Department of Transport) and the Department of Racing, Gaming and Liquor.

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

Changes to the Executive Management Team

Tourism WA's organisational structure changed during 2015-16. The Infrastructure and Investment Division was renamed the Destination Development Division to signify the agency's move away from investment attraction towards developing destinations across the State. The Marketing Division underwent revision, and two new divisions were created in January 2016 - Marketing and Partnerships, and Strategy, Brand and Marketing Services. These changes were reflected in the following alterations to the Executive Management Team:

- Jennifer Horner held the position of Executive Director Marketing until January 2016.
- Michelle Ellis held the position of Director Executive and Strategic Services until January 2016.
- Louise Scott was appointed Executive Director Strategy, Brand and Marketing Services in January 2016.
- Gwyn Dolphin held the position of Executive Director Events until January 2016 and then took on the role of Acting Executive Director Markets and Partnerships in January 2016. He was appointed Acting CEO in July 2016.
- Saskia Doherty was appointed Acting Executive Director Events in January 2016.
- Carroll Selwood was appointed Manager Executive and Strategic Services in January 2016.



1.3 PERFORMANCE MANAGEMENT FRAMEWORK

1.3.1 OUTCOME-BASED MANAGEMENT FRAMEWORK

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

Tourism WA works to meet the government goal of financial and economic responsibility.

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

Government Goal	Desired Outcome	Services
Financial and Economic Responsibility: <ul style="list-style-type: none"> Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector. 	<ul style="list-style-type: none"> Increased competitiveness and viability of the Western Australian tourism industry. 	1. Destination Marketing 2. Event Tourism 3. Tourism Investment and Infrastructure

1.3.2 CHANGES TO OUTCOME-BASED MANAGEMENT FRAMEWORK

Tourism WA's outcome-based management framework did not change for 2015-16.

1.3.3 SHARED RESPONSIBILITIES WITH OTHER AGENCIES

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

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

Tourism WA works closely with a range of Commonwealth and State government agencies including Austrade, Tourism Australia, Indigenous Business Australia, Department of State Development, Department of the Premier and Cabinet, Department of Regional Development, Department of Transport, Department of Lands, Department of Parks and Wildlife, Department of Planning, LandCorp, Metropolitan Redevelopment Authority, Main Roads WA, Department of Local Government and Communities, Department of Sport and Recreation, VenuesWest, Small Business Development Corporation, the Office of Multicultural Interests, Regional Development Commissions and others to achieve cross-government coordination of tourism initiatives.

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

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

1.3.4 STATE GOVERNMENT STRATEGY FOR TOURISM IN WESTERN AUSTRALIA 2020

The State Government Strategy for Tourism in Western Australia 2020 is a broad strategy for tourism in the State, with the goal to grow the value of tourism in WA to \$12 billion by 2020. Tourism WA developed the strategy in partnership with the private sector and a range of government departments.

In 2015-16, people who travelled to and within WA contributed \$9.6 billion to the State's economy through visitor spend, which means the industry is on track to achieve the 2020 goal. However, recent visitor statistic results indicate Western Australia is losing market share in some sectors which may impact on reaching that goal.

However, when the tourism strategy was developed four years ago, WA's visitor economy was heavily reliant on the corporate sector, and key infrastructure improvements such as Elizabeth Quay and Perth Stadium, as well as the additional 2,000 new hotel rooms planned for Perth, were not confirmed. The public and private investment in these pieces of important infrastructure will have a great impact on WA's tourism industry.

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

The process is expected to be completed towards the end of 2016.



Fremantle, Perth



Rottnest Island, Perth

2.0 AGENCY PERFORMANCE

2.1 REPORT ON OPERATIONS

DESTINATION MARKETING

Tourism WA's marketing is critical for building awareness of Western Australia's diverse tourism offering and driving holiday bookings into, and around, the State. Tourism WA's marketing strategy focuses on brand communications, event marketing, cooperative marketing with key airlines and distribution partners, trade education, public relations, and major business event promotion in conjunction with the Perth Convention Bureau. All programs are measured using a variety of evaluation techniques in order to further target high-yield visitors, creating a positive and robust flow-on effect for the local tourism economy.

Major achievements in 2015-16

- **Just Another Day in WA** – the latest marketing campaign under the Experience Extraordinary brand platform – was launched in the domestic market in June 2016. The premise behind the campaign is to highlight the things that West Australians may take for granted but visitors will find memorable and extraordinary.

The campaign includes a great variety of assets, told from a first-person point of view, and are suitable for traditional media channels as well as digital and social media use. The campaign will reach a global audience in 2016-17 through Tourism WA's cooperative advertising partners including airlines, accommodation providers and tour operators.

In 2015-16, the media buy for the campaign was aimed at driving awareness, and included 3,000 30-second ads on TV across Australia, 26 million viewings on websites including the BBC, Guardian, Fairfax, Yahoo, News Corp and Nine as well as 5.2 million impressions across Facebook. The campaign was also supported by a dedicated microsite, justanotherdayinwa.com, with more than 85 pieces of content created for its launch, and a hashtag #justanotherdayinwa which attracted 25,000 posts on Instagram by June 30.

- **One of China's most popular television shows, Dad, Where Are We Going?** was filmed in Western Australia following year-long negotiations between Tourism WA, Hunan TV and China Southern Airlines. The last two episodes of season three of the series were filmed in the Margaret River Region in September 2015 involving more than 200 cast and crew. The majority of the filming took place at Redgate Beach, Sunflower Animal Farm, Margaret River town centre and 3 Oceans Winery. The WA episodes aired in China on October 23 and 30, and attracted an audience of 33.3 million. They were also viewed 217 million times online. The advertising equivalent value (AEV) of the shows was \$74.67 million. Tourism WA developed a comprehensive marketing campaign to leverage the interest that the program generated. The campaign, in partnership with China Southern Airlines and 12 Chinese travel agents, included brand marketing, social media, PR and tactical advertising. The return on investment was recorded at 38:1.
- **The cast and crew of hit Singaporean TV drama, The Dream Job** spent 10 days filming at locations in Perth's city

centre, Cottesloe's Sculpture by the Sea, Guildford, Rottnest Island and Fremantle in March. The project, supported by Tourism Australia and Tourism WA, saw Perth featured in four episodes of the show, which premiered in prime time on June 27, 2016 on Singapore's free-to-air MediaCorp Channel 8. The show was projected to attract an audience of 800,000 viewers.

- **Channel 7's Weekend Sunrise program**, with support from Tourism WA, broadcast live for an entire weekend from WA's Kimberley region during the 2016 Ord Valley Muster in May. The show's hosts spent four days filming and broadcasting from the Kimberley. The program showcased a range of locations and experiences including Lake Argyle, Kununurra, Waringarri Arts Centre and El Questro Wilderness Park. Overall, the broadcast resulted in more than \$3.5 million of AEV and reached an audience of more than 9.8 million.
- **Tourism WA partnered with the Nine Network's Today show** in September to showcase Broome in a live broadcast from the North West town. Breakfast hosts Lisa Wilkinson, Karl Stefanovic and Richard Wilkins aired an entire episode live from Cable Beach to an audience of more than 4.8 million viewers, which earned an AEV of \$1.2 million.
- **Hong Kong TV travelogue show, We Are Not Family Men**, was filmed in Western Australia in September. Tourism WA partnered with Tourism Australia and Lamb & Lam Media to bring the show to WA. Locations and experiences featured in the show included Kings Park biodiversity walk, swimming with dolphins in Rockingham, Pink Lake and Albrolos Island aerial flight, Wagoe Beach quad bike adventure, abseiling in Kalbarri National Park and a Lobster Factory tour. The program reached an audience of 1.42 million viewers and had a reported AEV of \$1.59 million.
- **UK radio station Magic FM's breakfast show** broadcast live from Perth for a week in March. Magic FM is the market-leading radio station in London for the 50-plus demographic with 1.9 million listeners in the city alone and 2.6 million across the UK. The show's presenters spent a weekend on Australia's Coral Coast snorkelling, swimming with manta rays and quad bike riding before arriving in Perth where, in between their daily four-hour show, they experienced Aboriginal culture, wildlife encounters, food and wine and beaches. The radio show was supported online with videos, digital advertising and a competition every day to win a holiday to WA in association with Tourism WA's partners Qantas Airways and Trailfinders. The campaign delivered more than 48 million radio impacts to UK adults, and Trailfinders bookings made during the campaign period represented a return on investment of 42:1.
- **Tourism WA sponsored an abridged performance of The Reef by the acclaimed Australian Chamber Orchestra** at the Los Angeles opening of the Australian Tourism Summit in February. The Reef is inspired by WA's World Heritage-Listed Ningaloo Reef, where the Orchestra's artistic director Richard Tognetti worked with a crew of surfers, musicians and film-makers to create the breathtaking musical and visual production. More than 250 key influencers, including representatives from several major airlines, hoteliers, major wholesale buyers companies, travel agency groups, operators and travel media attended the performance.
- **Western Australia featured in National Geographic** Indonesia's print and online editions in June after Tourism WA collaborated with the publisher to bring 10 travel writers to the State. The participants were winners of the Travel Mate contest, in which budding and established writers, bloggers and social media influencers from Indonesia had the chance to visit and report on Perth, Rottnest Island, Hillarys Boat Harbour and Margaret River over five days. The resulting articles and photos were published across 39 pages in the June 2016 edition of Indonesia's National Geographic Traveler, which sells more than 28,000 copies per month. Additional content also appeared online and in various other print and social media channels. The total AEV of the coverage was more than \$865,000.
- **Qantas re-launched the EpiQure food and wine program in Margaret River** in March, thanks to support from Tourism WA. The event incorporated a retail campaign, and a fam for significant food and wine influencers including 26 EpiQure members from Sydney and Melbourne. The campaign focused on WA's food and wine offering with fares for Perth, Exmouth and Broome.
- **One of the most unusual campaigns of the year involved an in-flight wedding on a Scoot flight from Singapore to Perth** to promote Perth and the Swan Valley as a honeymoon destination. The cooperative campaign between Tourism WA and Scoot in Singapore ran from February to March and resulted in 1,173 bookings with an estimated visitor spend of more than \$2.5 million.
- **Rottnest Island played a starring role in Tourism Australia's latest There's Nothing Like Australia marketing campaign**, which was launched by Australian actor and Tourism Australia's global ambassador Chris Hemsworth, in New York on Australia Day. Rottnest was the focus destination for the WA video and features in the national clip. Tourism WA worked with Tourism Australia to guide the location choice for the WA film shoot in November 2016 at Rottnest's Mabel Cove, Fish Hook Bay, Parakeet Bay, Herschel Lake and Pinky Beach.
- **Tourism WA's consumer website, westernaustralia.com, attracted more than 2.54 million unique views** in 2015-16, which was an increase of 34 per cent on the previous year. More than 70 itineraries featured on the website were refreshed and an Indonesian version was developed.
- **Extraordinary Western Australia, Tourism WA's consumer Facebook page, attracted more than 440,000 likes**, which was an increase of 49 per cent on 2014-15. The page was also one of the fastest growing and engaging of its type. More than 144,000 followers joined Tourism WA's Instagram account since it was launched in March 2016. The official hashtag, #thisisWA, has been used more than 166,000 times.

Event marketing

- **Tourism WA invested \$1.675 million in its events marketing campaign in 2015-16**, which included TV, press, online and social media marketing. The aim of this 'always on' campaign is to communicate the wide variety of events happening across the State at any one time and to drive attendance. More than 250,000 daytrips and 190,000

overnight trips, spending around \$127.3 million, were taken by West Australians as a result of the campaign.

- **In addition, specific marketing initiatives were implemented for key events, in selected markets.**

Some key highlights:

A major promotional campaign was undertaken in Singapore and Malaysia ahead of the 2016 Margaret River Gourmet Escape. The campaign included trade and consumer activities with MISA Travel. More than 1,000 travel and event ticket packages to Margaret River Gourmet Escape were sold as part of the campaign, delivering a direct economic impact of \$2.4 million.

Tourism WA produced a series of video content pieces to promote the Margaret River region during the Drug Aware Margaret River Pro surfing event in April. The videos were featured across the World Surfing League website during the event and were broadcast to a global audience of around 3.5 million.

Business events

- **Tourism WA continued its partnership with the Perth Convention Bureau** to bring business and incentive events to Western Australia in 2015-16. The Perth Convention Bureau secured 122 conferences and 75 corporate meeting and incentive events for the year. This produced 53,605 delegates, generating an estimated direct delegate expenditure of \$110.3 million.

Cooperative marketing

- **In 2015-16, WA's tourism industry partners invested \$6.9 million into Tourism WA's cooperative marketing program** exceeding the \$6.5 million target. By encouraging the tourism industry to integrate into the State Government's destination marketing activities, Tourism WA achieves better leverage of government funding and better outcomes for the tourism industry.
- **Tourism WA worked with 14 domestic travel distributors and airlines** as part of the 2015-16 cooperative marketing program. This resulted in 24 product campaigns featuring a diverse range of West Australian tourism products. The total value of Tourism WA's investment was \$1.65 million, with industry partners contributing \$2.13 million. The program delivered a return of investment of 51:1, generating approximately 128,000 domestic visitors and an economic impact of \$83 million.
- **An example of these partnerships was between Tourism WA and APT in September, as part of a cooperative marketing agreement with Channel 7's Better Homes and Gardens show.** Two segments of the program were filmed in the Kimberley with presenters Fast Ed (Ed Halmagyi) and Karen Martini visiting some of the region's most spectacular destinations including Broome, Horizontal Falls, Montgomery Reef, Raft Point and

Mitchell Falls, cooking on location and experiencing the region and APT's small ocean ship, MS Caledonian Sky.

Trade education

- **Tourism WA's annual China Travel Mission in Beijing** in October attracted 25 operators from WA. They met and did business with 45 key travel agents from major cities in China and Hong Kong. The event generated extensive media coverage in the travel trade and on the WeChat social platform. A business forum for WA sellers was included in the program.
- **Fremantle was the location for Tourism WA's third annual Chinese industry event, Ni Hao WA.** Held in March, Ni Hao WA comprised a full-day workshop at Fremantle Maritime Museum and a series of familiarisation tours in Perth, the South West and the Coral Coast. The event saw 36 travel agents and media from China and Hong Kong meet and do business with representatives from 35 WA tourism businesses.
- **Western Australia was on show in Auckland, Sydney and Brisbane in September as part the Australian Tourism Export Council's annual Extraordinary Tourism Exchange (ETE),** which is supported by Tourism WA. More than 150 agents and travel industry representatives met with 15 WA operators and the five regional tourism organisations. The initiative was developed to promote WA Export Ready products to front-line sales staff, key decision makers and media.
- **Tourism WA took part in Tourism Australia's annual Australia on Tour event, which started in the United Kingdom in October. A further two events took place in Glasgow and Belfast** in early December before travelling to Germany, where the roadshow visited four cities - Cologne, Hannover, Berlin and Dresden. More than 270 German travel agents took part.
- **Tourism WA attended Dreamtime Travel's consumer event in Switzerland** in November 2015 and promoted WA. More than 600 people visited the Tourism WA stand during the event.
- **Western Australia was represented by 47 operators at the Australian Tourism Exchange (ATE) on the Gold Coast** in May. It was the highest number of operators for an ATE hosted outside WA. Organised by Tourism Australia, ATE is the nation's largest, annual travel and tourism business-to-business trade event. The focus for Tourism WA and the West Australian contingent was promoting the changes happening around Perth and WA to international tourism buyers.



#just
ANOTHER
DAY in
W.A.

BORANUP FOREST, MARGARET RIVER AND THE SOUTH WEST

**WESTERN
AUSTRALIA**
EXPERIENCE EXTRAORDINARY



EVENT TOURISM

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

Major achievements in 2015-16

- Perth hosted the Australia v Bangladesh 2018 FIFA World Cup Qualifier** match on September 3. It was the first time the Socceroos had played in Western Australia in 10 years. Australia beat Bangladesh 5-0 in front of a sold-out crowd at nib Stadium, with an attendance of 19,495. The game was broadcast into some of WA's biggest international markets including China, New Zealand, Japan, Malaysia, and Indonesia. Following the success of the match, the State Government, through Tourism WA and VenuesWest, secured another 2018 World Cup Qualifier match to be played in September 2016 against Iraq.
- The 2016 Hopman Cup in January** delivered the second highest tournament attendance on record, attracting more than 96,000 people to Perth Arena over the week-long event. For the first time in Hopman Cup history, Australia was represented by two teams – Australia Gold featuring Lleyton Hewitt and Jarmila Wolfe, and Australia Green with Daria Gavrilova and Nick Kyrgios, who won the title. According to independent research, dedicated television broadcasts of the event generated an AEV of more than \$52 million. Nearly 2,000 hours of the event were broadcast globally, with 952 hours of dedicated broadcast in Tourism WA's key markets alone.
- Some of the world's best players from the European, Australasian, and Asian PGA tours descended on Lake Karrinyup Country Club for the 2016 Perth International golf tournament** in February. The 2016 event saw the introduction of the Asian Tour as a sanctioning partner for the first time, joining incumbent bodies, the PGA Tour of Australasia and the European Tour. The addition of the Asian Tour saw a record 28 nationalities represented in the field of 156 players. The event moved from its traditional October timeslot to a new date in February, attracting more than 32,000 spectators. Independent media impact research analysis of the 2016 event valued Tourism WA's brand exposure at \$19.8 million for the dedicated TV broadcasts. Nearly 2,549 hours of the event were broadcast globally into all of Tourism WA's key markets, to more than 425 million households.
- The Drug Aware Margaret River Pro, part of the World Surf League Championship Tour**, was held in April. The 2016 event attracted an online audience of approximately 1.7 million unique viewers who tuned in to watch the action from Surfers Point. Tourism WA also facilitated a number of destination visitation activities for the surfers, which achieved additional tourism media exposure for the region.
- The 2016 SunSmart IRONMAN Western Australia was held in Busselton** in early December. The event attracted 1,936 athletes who competed across the four days, including 1,636 athletes who took part in the main event held on the Sunday, the SunSmart IRONMAN Western Australia Triathlon. Of the 1,636 registrations, 36 per cent of the participants originated from interstate and 26 per cent from overseas. Australia's Luke McKenzie crossed the finish line to break the current Australian IRONMAN record by 62 seconds, providing a significant amount of media coverage for the event and the region. An economic impact report showed the event attracted 3,163 interstate and international visitors to WA, generating an economic impact of \$8.02 million for the State. A total of 5,101 people travelled to the South West to attend or participate in the event, and delivered an economic boost to the local economy of \$10.06 million.



Margaret River Pro



Perth International

- **Tourism WA's support for Telstra Perth Fashion Festival continued** in 2016 with the September event attracting 46,708 attendees, a 23 per cent increase on the previous year. The festival generated more than 2,000 national media articles, reaching a potential audience of 44.2 million people, with an AEV of \$6.5 million. The festival featured 68 events, including ticketed and free-to-the-public runway shows, VIP opening and closing events and an industry forum. For the second time, the festival featured the Swim & Resort Series, a stand-alone event held in November at Bathers Beach House in Fremantle, that showcased WA's relaxed beach culture and talented swim and resort wear designers.
 - **The fourth annual Margaret River Gourmet Escape was held in November.** More than 18,000 people attended the food and wine festival, which attracted some of the world's most highly regarded media and industry personnel, including Marco Pierre White. It delivered significant exposure for WA through a highly targeted marketing and PR campaign, which spanned domestic and international channels. The event program spread across four days and consisted of more than 50 special events including the Gourmet Village at Leeuwin Estate. The economic impact into the region was more than \$7.8 million. A total of 2,657 media reports were generated on the event nationally to a potential audience of 33,302,524 people with an advertising equivalent rate of \$6,575,111.

A new TV series starring chef Antonio Carluccio and WA Aboriginal elder Dr Richard Walley was filmed as part of the event. It will be broadcast across Australia and in key international markets including the UK.
 - **In its eighth year, CinefestOz is the fastest growing boutique film festival in Australia** and offers the nation's richest film prize of \$100,000. Held from August 26-30, the festival attracted renowned international and national actors, film industry personnel and filmmakers to Busselton and the wider South West region including Margaret River, Dunsborough, Augusta and Cowaramup. More than 100 film industry guests and stars attended the festival, which attracted 35 entries and was a key reason behind the large attendance at this year's event. Festival attendance was 23,000 (up from 18,790 in 2015) and included 77 ticketed screenings, 160 free community screenings and 10 ticketed lunches or workshops.
 - **The 2016 Shinju Matsuri Festival took place in Broome** in September and featured more than 30 events, including two new features for 2016: the Sunset Long Table Dinner on Cable Beach and the Floating Lantern Matsuri. The festival culminated in a beachside concert headlined by the Pigram Brothers.
 - **The 2016 IGA Taste Great Southern** took place from March 17 to April 3, and showcased some of the best food and wine from the region. Thirty-seven events were held across Albany, Denmark, Mount Barker, Porongurup, Ongerup and Katanning, including two new events, the Albany Seafood Night Market and Junkyard Feast. The event attracted 1,094 visitors from outside the region who spent \$168,539 during their stay.
 - **Almost 1,100 recreational and elite riders, including 200 from outside of the State, took part in the Cape to Cape MTB in October.** The event is Australasia's biggest multi-stage mountain bike race, taking riders from Cape Leeuwin to Cape Naturaliste.
- ### Regional Events Program
- **Tourism WA's Regional Events Program, supported by Royalties for Regions,** assists a range of events across regional Western Australia. It also includes the \$750,000 Regional Events Scheme, which provided sponsorship for 53 events in 2015-16.



Swanbourne Beach, Perth

DESTINATION DEVELOPMENT

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

Major achievements in 2015-16

Aviation access

- **International flight seat capacity into Perth grew over the year.** In June 2016, Perth attracted 222 flights per week, offering 56,224 seats, which represents increases of 2.8 per cent and 1.4 per cent respectively, compared to June 2015.
- **Domestic flights** increased but seat capacity decreased over the same period. In June 2016, WA had 1,153 flights per week into and within the State, equating to 153,452 seats. This was a 10.8 per cent growth in flights but a decrease of 4.7 per cent in seat numbers when compared to June 2015. The reduction reflects the change by major regional carriers Qantas and Virgin Australia to smaller aircraft, with increased frequency of flights.

In 2015-16, the following was achieved –

Perth welcomed its 19th international airline with the launch of Malindo Air's first Australian service in November, with flights between Perth and Kuala Lumpur.

Qantas increased the number of flights on its Perth to Singapore route to 10 flights per week from nine in February.

Etihad upgraded its Perth to Abu Dhabi daily service to its new B787-9 Dreamliner aircraft from June, increasing capacity to Perth by 14 per cent a year.

In July, China Southern Airlines increased its Perth to Guangzhou services from three to four flights per week.

Air New Zealand increased to its daily Perth and Auckland between September 2015 and March 2016, operating 10 flights per week, an increase of three.

- **Busselton Airport, which was officially renamed the Busselton-Margaret River Regional Airport in October, is undergoing a major redevelopment and expansion thanks to \$59.95 million of State Government funding.**

The work will enable narrow body aircraft such as Boeing 737-800 (B737) and Airbus 320 (A320) from interstate locations such as Melbourne and Sydney, to land in the region. In 2015-16, Tourism WA continued to be an active participant in the project and worked with the City of Busselton, the South West Development Commission and other State Government agencies on the development project and airline attraction activity. The airport redevelopment is expected to be completed by mid-2018, as discussions with airlines and tourism groups continue.

Hotels in Perth

- **The Perth hotel development pipeline has more than 2,000 new rooms committed or under construction, with opening dates through to 2019.** Como The Treasury opened with 48, six-star rooms in November, as did two new serviced apartment complexes. The pipeline is a culmination of Tourism WA's efforts since 2009 to increase the number of hotels in Perth – both directly and through partners such as the Metropolitan Redevelopment Authority, LandCorp and the City of Perth. Tourism WA and LandCorp continue to oversee the



Rottneet Island Perth

construction of The Westin Hotel on the former FESA House site. The Westin will be a 362-room, five-star hotel built by BGC (Australia) and is due to open in 2018.

Caravan and camping

- **Under the State Government's \$40.7 million Western Australian Caravan and Camping Action Plan 2013-2018 and Parks for People initiative, \$1 million was granted in 2015-16 to the City of Albany and the shires of Denmark, Esperance, Jerramungup, Plantagenet and Ravensthorpe** to improve campgrounds in the south of the State. Improvements included new toilets and waste management facilities, improved layout, access tracks, landscaping and signage.
- **A further \$1.5 million was granted to the shires of Irwin, Coorow, Dandaragan and Northampton** in the State's mid-west to increase the number of camping sites, and upgrade and install new facilities at Cliff Head, Sandy Cape, Halfway Bay, Lucky Bay and Milligan Island camping grounds.
- **The first campground developed under the Camping with Custodians initiative welcomed its first visitors in May.** Imintji, in the Kimberley region, has 20 camp sites and visitor facilities. It is WA's first fully serviced commercial campground built and operated by a remote Aboriginal community. A further three sites at Mimbi and Violet Valley in the Kimberley, and Peedamulla Station near Onslow are currently being developed and Tourism WA has begun investigations into other potential sites in the Pilbara region.

Aboriginal tourism

- **Tourism WA entered into a partnership with the WA Indigenous Tourism Operators Council (WAITOC) in August to deliver the four-year Aboriginal Tourism Development Program.** The program was developed to increase the promotion of Aboriginal tourism experiences across the State and to provide intensive business development assistance to emerging and market-ready businesses. Seventeen businesses were selected to participate in the business development program – 10 from the Kimberley region and seven from the State's southern regions.

Cruise shipping

- **WA has experienced huge growth in cruise sector in recent years.** In 2015-16, the industry recorded a total of 121 cruise ship visit days, a 19.8 per cent increase from 101 visits in 2014-15 and total passenger days increased by 12.5 per cent from 199,499 in 2014-15 to 224,409.

- **Fremantle Ports experienced its most successful year, handling a record 58 cruise ship visits and 152,000 cruise passengers.** For the first time Fremantle had three home-ported cruise ships – the Astor, the Sun Princess and the Pacific Eden, which ACIL Allen estimated to have added a total of 155 million to the State's economy.

Regional Visitor Centre Sustainability Grant Program

- **Thirty-nine visitor centres across regional Western Australia received grants from the first round of the State Government's Regional Visitor Centre Sustainability Grants Program in 2015-16.** The grants program, made possible by Tourism WA and Royalties for Regions, was established to help drive innovation and breathe new life into visitor centres. The successful applicants shared in \$1.1 million for projects ranging from website development and improved signage to creating a mobile visitor centre, as examples.

Food and wine tourism

- **The Taste 2020: A Food and Wine Tourism Strategy for Western Australia for the Next Five Years and Beyond was launched in September.** The aim of the strategy is to establish WA as one of the world's foremost culinary tourism destinations. Tourism WA will lead the delivery of Taste 2020 over the next three years.

Tourism infrastructure

- **The Tourism Demand Driver Infrastructure Program is a Commonwealth-funded initiative that is administrated by each State or Territory tourism organisation. Western Australia received \$5.1 million over four years** with the funds allocated through two processes. The first was the selection of one priority infrastructure project in each tourism region.

Five projects were selected as follows:

- *Dampier Terrace/Frederick Street Lookout, Broome (Australia's North West)*
- *Kalbarri Skywalk in the Kalbarri National Park (Australia's Coral Coast)*
- *Mersey Point Jetty redevelopment, Rockingham (Experience Perth)*
- *Cruise ship tender landing platform, Busselton (Australia's South West)*
- *Cruise ship passenger embarking and disembarking infrastructure, Esperance (Australia's Golden Outback)*
- **The second phase was through a competitive application process, with nine projects selected** including development and redevelopment of walk trails, tourism attractions, lookouts, signage and wayfinding projects as well as an Aboriginal cultural centre feasibility study.



2.2 FINANCIAL TARGETS

	2015-16 Original Target \$'000	2015-16 Revised Target \$'000	2015-16 Actual \$'000	Variation \$'000
Financial Targets				
Total Cost of Services (approved expense limit) (see Statement of Comprehensive Income)	89,119	88,941	85,153	(3,788)
Net Cost of Services (see Statement of Comprehensive Income)	86,396	86,218	83,211	(3,007)
Total Equity (see Statement of Financial Position)	11,309	13,708	15,000	1,292
Approved salary expense level	9,457	9,668	9,667	(1)
Agreed Working Cash Limit	4,360	4,351	5,179	828

Explanatory Notes to variations against Revised Targets

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

Total Cost of Services

The variance/underspend of \$3.8 million between the Actual Total Cost of Services and the Revised Target is mainly the result of Royalties for Regions-funded event operation underspends, a delay in the Tourism Demand-Driver Infrastructure grant program (expenditure to be deferred to a future period), a favourable variance in depreciation/amortisation for the year and other operational underspends.

Net Cost of Services

The variance in Net Cost of Services is largely the result of the expenditure variance detailed under Total Cost of Services offset by a reduction in Commonwealth grant income due to delays associated with the Tourism Demand-Driver Infrastructure grant program.

Total Equity

The difference in equity against the revised target is mainly the variation in Net Cost of Services explained above offset by a reduction in actual Royalties for Regions Regional Events Program funding due to the expected underspend in the program.

Salary expense level

The agency met the salary expense level target.

Agreed working cash limit

The agreed working cash limit is the agreed limit at the commencement of 2015-16. The 2015-16 actual represents the cash balance at the beginning of 2015-16 adjusted for receivables and payables largely settled within the first month of the year. The variation is mainly due to operational underspends in 2014-15.



Fremantle, Perth

2.3 KEY PERFORMANCE INDICATORS

2.3.1 Key Effectiveness Indicators

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

	2015-16 Target	2015-16 Actual
KPI:1 Total dollar amount spent by visitors in Western Australia	\$8.7 billion	\$9.0 billion
KPI:2 Percentage of visitors whose expectation were met or exceeded upon visiting Western Australia	90%	97.8%
KPI:3 Value of cooperative marketing funds provided by the tourism industry	\$6.5 million	\$6.9 million
KPI:4 Direct economic impact of major events sponsorship	\$27.1 million	\$33.2 million
KPI:5 Direct media impact of major events sponsorship	\$196.0 million*	\$139.4 million**

*The 2015-16 target figure was set using assumed advertising equivalent rates that were available at the time of setting the target.

**The 2015-16 actual figure has been reported using the latest available advertising equivalent rates. If comparable rates were used, the 2015-16 target would have been achieved.

2.3.2 Key Efficiency Indicators

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

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

Detailed Key Performance Indicators information can be found on pages 74-78.



3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

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

Significant issues impacting the tourism industry include:

- Tourism is an industry critical to Australia’s economic future. Economic consultancies such as Deloitte Access Economics and McKinsey have identified tourism as an industry that will rapidly grow in Australia over the next decade. In 2015-16, tourism spending in Western Australia totalled \$9.6 billion. The industry generates more than 97,000 jobs or around 7 per cent of the State’s employment.
- The goal of the State Government Strategy for Tourism in Western Australia 2020 (Tourism Strategy), released in 2012, is to increase the value of tourism in Western Australia to \$12 billion by 2020.
- Visitor spending reached \$9.6 billion in 2015-16, up from \$8.7 billion the year prior. At a high level the State’s tourism industry is on target to reach the goal of \$12 billion in visitor spending by 2020. However, in the past, growth in visitor expenditure has been driven by intrastate tourism and business travel, while international and interstate visitor expenditure has actually decreased over the past year. The number of visitors has increased but their actual spend during their stay has dropped. This is because travel patterns have shifted. There has been a decrease in the number of people visiting from international markets on working holiday visas, travelling for business, and those people visiting for employment reasons.
- Government and the private sector have invested billions of dollars into infrastructure projects that are transforming Perth. Elizabeth Quay, Perth Stadium, Perth City Link, the new Western Australian Museum, the upgrade of Perth Airport, the redevelopment of Crown Perth and revitalisation projects in Fremantle, Scarborough and Rottnest Island will all make Western Australia a great place for locals and visitors alike. The city has also seen an increase in new small bars, restaurants and cafes and, over the next few years, the development of several new hotels, including Crown Towers, the Ritz-Carlton and the Westin.
- The changing face of the Perth region offers an opportunity to re-position the city as an exciting new holiday destination in its own right as well as a gateway to regional Western Australia. To help drive visitor demand, Tourism Western Australia launched a new marketing campaign in June, Just Another Day in WA. The campaign is the result of extensive market research and targets domestic and international consumers with content-led programs. Perth features heavily in the campaign, to ensure potential visitors know about the changes that have taken place in the city, and beyond. Just Another Day in WA continues to promote travel to regional areas of the State.
- The new 60,000-seat Perth Stadium will also be important for tourism and the economy when it opens in 2018. It will allow Perth to host international sporting events and music concerts, which have not been seen in the State before because of venue capacity issues. It also has the potential to generate regular, large-scale AFL visitation, through targeted advertising programs that promote the new Perth. This new tourism asset has the capability to deliver thousands of visitors to the State each year.

4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.1 INDEPENDENT AUDITOR'S REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN TOURISM COMMISSION

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Tourism Commission at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Report on Controls

I have audited the controls exercised by the Western Australian Tourism Commission during the year ended 30 June 2016.

Controls exercised by the Western Australian Tourism Commission are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Opinion

In my opinion, in all material respects, the controls exercised by the Western Australian Tourism Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2016.

Board's Responsibility for Controls

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

Auditor's Responsibility for the Audit of Controls

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

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

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

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2016.

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

Opinion

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 2016.

Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility for the Audit of Key Performance Indicators

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

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

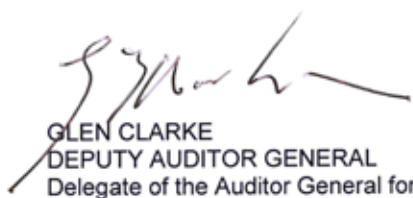
I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2016 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
9 September 2016

4.2 FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The accompanying financial statements of the Western Australian Tourism Commission (operating as Tourism WA) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended June 30, 2016 and the financial position as at June 30, 2016.

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



Peter Prendiville
Chairman
September 2, 2016



Howard Cearns
Commissioner
September 2, 2016



Renato Sansalone
Chief Financial Officer
September 2, 2016



Injidup, Margaret River Region
© Elements Margaret River

Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	11,591	12,291
Supplies and services	7	27,558	25,094
Depreciation and amortisation expense	8	748	1,022
Accommodation expenses	9	2,182	2,039
Grants and subsidies	10	5,165	4,519
Events operations expense	11	19,319	23,223
Advertising and promotion expenses	12	18,209	16,171
Other expenses	13	381	553
Total cost of services		85,153	84,912
Income			
Revenue			
Commonwealth grants and contributions	14	962	900
Interest revenue		299	374
Other revenue	15	681	1,475
Total Revenue		1,942	2,749
Total income other than income from State Government		1,942	2,749
NET COST OF SERVICES		83,211	82,163
Income from State Government			
Service appropriation	16	63,583	65,932
Resources received free of charge		757	720
Royalties for Regions Fund		19,612	16,720
Total income from State Government		83,952	83,372
SURPLUS FOR THE PERIOD		741	1,209
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	28	-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		741	1,209

See also note 40 'Schedule of Income and Expenses by Service'.

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

Statement of Financial Position

As at June 30 June 2016

	Note	2016 \$'000	2015 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	29	6,408	6,464
Restricted cash and cash equivalents	17, 29	54	680
Receivables	18	2,048	2,033
Prepayments	19	4,067	2,983
Amounts receivable for services	20	475	475
Total Current Assets		13,052	12,635
Non-Current Assets			
Amounts receivable for services	20	6,303	6,086
Property, plant and equipment	22	450	610
Intangible assets	23	768	768
Other non-current assets	21	249	106
Total Non-Current Assets		7,770	7,570
TOTAL ASSETS		20,822	20,205
LIABILITIES			
Current Liabilities			
Payables	25	2,809	3,318
Provisions	26	2,244	2,337
Other current liabilities	27	165	56
Total Current Liabilities		5,218	5,711
Non-Current Liabilities			
Provisions	26	604	635
Total Non-Current Liabilities		604	635
TOTAL LIABILITIES		5,822	6,346
NET ASSETS		15,000	13,859
EQUITY			
Contributed equity	28	9,493	9,093
Accumulated surplus		5,507	4,766
TOTAL EQUITY		15,000	13,859

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

Statement of Changes in Equity

For the year ended 30 June 2016

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2014	28	8,943	2,010	1,547	12,500
Surplus		-	-	1,209	1,209
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	1,209	1,209
Transfer (to)/from reserves		-	(2,010)	2,010	-
Transactions with owners in their capacity as owners:					
Capital appropriations		150	-	-	150
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		150	-	-	150
Balance at 30 June 2015		9,093	-	4,766	13,859
Balance at 1 July 2015		9,093	-	4,766	13,859
Surplus		-	-	741	741
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	741	741
Transactions with owners in their capacity as owners:					
Capital appropriations		150	-	-	150
Other contributions by owners		250	-	-	250
Distributions to owners		-	-	-	-
Total		400	-	-	400
Balance at 30 June 2016		9,493	-	5,507	15,000

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



Cottesloe Beach, Perth

Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		62,891	65,240
Capital appropriations		400	150
Holding account drawdown		475	475
Royalties for Regions Fund		19,612	16,720
Net cash provided by State Government		83,378	82,585
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(12,034)	(12,392)
Supplies and services		(27,253)	(24,869)
Accommodation		(2,274)	(2,412)
Grants and subsidies		(5,188)	(4,517)
GST payments on purchases		(6,261)	(6,371)
Event operations payments		(20,174)	(23,609)
Advertising and promotion payments		(17,971)	(16,150)
Other payments		(157)	(120)
Receipts			
Commonwealth grants and contributions		1,020	900
Interest received		293	395
GST receipts on sales		61	122
GST receipts from taxation authority		6,021	5,217
Other receipts		713	1,343
Net cash used in operating activities	29	(83,204)	(82,463)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(856)	(214)
Receipts			
Proceeds from sale of non-current assets		-	-
Net cash used in investing activities		(856)	(214)
Net (decrease) in cash and cash equivalents		(682)	(92)
Cash and cash equivalents at the beginning of the period		7,144	7,236
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29	6,462	7,144

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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1. Australian Accounting Standards

General

The Western Australian Tourism Commission's (WATC) financial statements for the year ended June 30, 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The WATC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the WATC for the annual reporting period ended June 30, 2016.

Note 2. Summary of significant accounting policies

(a) General statement

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

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

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

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

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

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

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

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

(c) Reporting entity

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

(d) Contributed equity

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

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

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Service appropriations

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

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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



(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

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

Asset revaluation surplus

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

Depreciation

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

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

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

(g) Intangible assets

Capitalisation/expensing of assets

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

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

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

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

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

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

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

Campaign production costs

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

Development costs

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

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Website costs

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

(h) Impairment of assets

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

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

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

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



(i) Leases

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

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

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

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

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

(k) Cash and cash equivalents

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

(l) Accrued salaries

Accrued salaries (see note 25 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The WATC considers the carrying amount of accrued salaries to be equivalent to its fair value.



Swan Valley, Perth

(m) Amounts receivable for services (holding account)

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

(n) Receivables

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

(o) Payables

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

(p) Provisions

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

Provisions - employee benefits

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

Annual leave

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

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

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

Long service leave

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

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

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

Purchased leave

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

Superannuation

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

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

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

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

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

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

Provisions – other

Employment on-costs

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

(q) Superannuation expense

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

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

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

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



(s) Foreign Currency

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

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

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

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

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

Fair value hedges

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

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

(t) Comparative figures

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



Fremantle, Perth
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Note 3. Judgements made by management in applying accounting policies

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

Operating lease commitments

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

Note 4. Key sources of estimation uncertainty

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

Long Service Leave

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

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

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

AASB 2013-9	<i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments</i> Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The WATC has not yet determined the application or the potential impact of AASB 9.
AASB 2014-8	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i> This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The WATC has not yet determined the application or potential impact of AASB 9.
AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i> This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2012-6, AASB 2013-9 and AASB 2015-1 <i>Amendments to Australian Accounting Standards</i>. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the WATC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 1057	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>	1 Jan 2016
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the WATC to determine the application or the potential impact of this Standard.</p>	1 Jan 2018
AASB 2014-3	<p><i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i></p> <p>The WATC establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore there is no financial impact on application of the Standard.</p>	1 Jan 2016
AASB 2014-4	<p><i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the WATC as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The WATC has not yet determined the application or the potential impact of the Standard.	
AASB 2014-9	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>	1 Jan 2016
	This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The WATC has not yet determined the application or the potential impact of the Standard.	
AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i>	1 Jan 2016
	This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The WATC has not yet determined the application or the potential impact of the Standard.	
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i>	1 Jan 2016
	These amendments arise from the issuance of International Financial Reporting Standard <i>Annual Improvements to IFRSs 2012-2014 Cycle</i> in September 2014, and editorial corrections. The WATC has not yet determined the application or the potential impact of the Standard.	
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>	1 Jan 2016
	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>	1 Jul 2016
	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The WATC has not yet determined the application or the potential impact of AASB 15.	
AASB 2015-10	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128</i>	1 Jan 2016
	This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The WATC has not yet determined the application or the potential impact of AASB 2014-10.	
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. There is no financial impact.	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The WATC has not yet determined the application or the potential impact.	

This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*. The WATC has not yet determined the application or the potential impact.

Note 6. Employee benefits expense

	2016	2015
	\$'000	\$'000
Wages and salaries (a)	9,468	9,945
Voluntary separation payments	199	326
Superannuation – defined contribution plans (b)	936	1,071
Other staffing costs	988	949
	11,591	12,291

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

(b) *Defined contribution plans include West State, Gold State and GESB and other eligible funds.*

Employment on-costs expenses, such as workers' compensation insurance, are included at note 13 'Other expenses'.
Employment on-costs liability is included at note 26 'Provisions'.

Note 7. Supplies and services

	2016	2015
	\$'000	\$'000
Commissioners' fees and charges	324	307
Communications expenses	367	376
Computer expenses	1,408	1,300
Contracts for service	11,130	8,942
General administration expenses	2,515	2,628
Insurance	68	70
Marketing services	3,583	3,297
Operating lease, rental and hire costs	391	435
Printing and stationery	31	40
Professional services (a)	5,280	4,790
Research	1,536	1,940
Travel	807	849
Vehicles	118	120
	27,558	25,094

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

Note 8. Depreciation and amortisation expense

	2016 \$'000	2015 \$'000
<u>Depreciation</u>		
Leasehold improvements	-	1
Furniture, fittings and equipment	121	123
Computer equipment	97	98
Total depreciation	218	222
<u>Amortisation</u>		
Software and website development	103	65
Development costs	-	179
Campaign production costs	427	556
Total amortisation	530	800
Total depreciation and amortisation	748	1,022

Note 9. Accommodation expenses

	2016 \$'000	2015 \$'000
Cleaning	83	78
Lease rentals	1,654	1,476
Utilities	84	90
Repairs and maintenance	361	395
Total	2,182	2,039



Hamelin Bay, Margaret River Region

Note 10. Grants and subsidies

	2016	2015
	\$'000	\$'000
Royalties for Regions		
Caravan and Camping grants	2,164	2,367
Regional Visitor Centre grants	1,124	240
Kimberley Science and Conservation Strategy grants	-	105
Tourism Demand-Driver Infrastructure grants	962	900
Other grants and sponsorships	915	907
	5,165	4,519

Note 11. Events operations expense

	2016	2015
	\$'000	\$'000
Event sponsorship by funding source:		
Consolidated Account	13,249	14,773
Royalties for Regions Fund – Regional Events Program	6,070	7,795
Private sector contributions	-	655
	19,319	23,223

Note 12. Advertising and promotion expenses

	2016	2015
	\$'000	\$'000
Promotions and co-operative campaigns	15,472	13,022
Collateral – production and distribution	861	1,186
Familiarisation visits	1,842	1,913
Multimedia and audiovisual	34	50
	18,209	16,171

Note 13. Other expenses

	2016	2015
	\$'000	\$'000
Employment on-costs	80	64
Loss on disposal of non-current assets	267	11
Royalties for Regions - refund of cash balances (a)	34	437
Miscellaneous expenses	-	41
	381	553

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

Note 14. Commonwealth grants and contributions

	2016	2015
	\$'000	\$'000
Recurrent grants - Tourism Demand-Driver Infrastructure	962	900
	962	900

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

Note 15. Other revenue

	2016	2015
	\$'000	\$'000
Industry contributions and sponsorship	242	880
Travel agents' commissions	31	33
Gain on foreign exchange	11	32
Miscellaneous revenue	397	530
	681	1,475

Note 16. Income from State Government

	2016	2015
	\$'000	\$'000
Appropriation received during the period:		
Service appropriations (a)	63,583	65,932
	63,583	65,932
Services received free of charge from other State government agencies during the period:		
- Department of Finance	268	243
- State Solicitors Office	10	25
- WA Land Information Authority (Landgate)	479	452
	757	720
Royalties for Regions Fund:		
- Regional Community Services Account (b)	19,612	16,720
	83,952	83,372

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

(b) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and for 2016 comprises funding of \$7.984m for Regional Events (2015: \$9.56m), \$5.664m for Regional Tourism Marketing Programs (2015: \$1.623m), \$3.555m for the Caravan and Camping Action Plan (2015: \$4.253m), \$1.259m for a Regional Visitor Centres program (2015: \$0.3m), \$1.15m for the Aboriginal Tourism Development Program (2015: \$0), \$0m for a Kimberley Science and Conservation Strategy (2015: \$0.981m) and \$0k for regional workers incentives allowance payments (2015: \$3k).

Note 17. Restricted cash and cash equivalents

	2016	2015
	\$'000	\$'000
Current		
Royalties for Regions Fund (a)	54	680
	54	680

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

Note 18. Receivables

	2016	2015
	\$'000	\$'000
Current		
Receivables	16	282
Allowance for impairment of receivables	-	-
Accrued revenue	434	165
Hopman Cup receivable (a)	-	116
GST receivable	1,598	1,470
	2,048	2,033
Hopman Cup receivable (a)		
Distribution due at start of period	116	431
- Plus share of profits for the current event	-	-
	116	431
Less distribution received	(116)	(279)
Less adjustment to prior year share of profits	-	(36)
Balance due at end of period	-	116
Total receivables	2,048	2,033

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

(a) Hopman Cup receivable

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

Note 19. Prepayments

	2016	2015
	\$'000	\$'000
Event sponsorship	3,059	1,628
Licence, maintenance and support fees	363	1,004
Accommodation expenses	219	187
Other	426	164
	4,067	2,983

Note 20. Amounts receivable for services (Holding Account)

	2016	2015
	\$'000	\$'000
Current	475	475
Non-current	6,303	6,086
	6,778	6,561

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

Note 21. Other non-current assets

	2016	2015
	\$'000	\$'000
Investments (a)	249	106
Total non-current	249	106

(a) At 30 June 2016, the WATC held a 13.57% interest (2015: 11.94%) in the Australian Tourism Data Warehouse Pty Ltd (ATDW), which is classified as an available-for-sale financial asset in accordance with AASB 139. Its principal activity is the development of a database for Australian tourism products. Since there is no active market, the fair value is its liquidation value being working capital plus property, plant and equipment.

Note 22. Property, plant and equipment

	2016	2015
	\$'000	\$'000
<u>Leasehold improvements</u>		
At cost	-	-
Accumulated depreciation	-	-
	-	-
<u>Furniture, fittings and equipment</u>		
At cost	2,901	2,853
Accumulated depreciation	(2,533)	(2,411)
	368	442
<u>Computer equipment</u>		
At cost	460	460
Accumulated depreciation	(378)	(292)
	82	168
Total	450	610



Leederville, Perth

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

	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Carrying amount at start of period	-	442	168	610
Additions	-	47	11	58
Transfers	-	-	-	-
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses	-	-	-	-
Impairment losses reversed	-	-	-	-
Depreciation	-	(121)	(97)	(218)
Carrying amount at end of period	-	368	82	450
	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at start of period	7	565	142	714
Additions	-	-	124	124
Transfers	-	-	-	-
Other disposals	(6)	-	-	(6)
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses	-	-	-	-
Impairment losses reversed	-	-	-	-
Depreciation	(1)	(123)	(98)	(222)
Carrying amount at end of period	-	442	168	610



Lake Ballard, Golden Outback

Note 23. Intangible assets

	2016	2015
	\$'000	\$'000
<u>Software and website development</u>		
At cost	405	215
Accumulated amortisation	(234)	(132)
	171	83
<u>Development costs</u>		
At cost	556	556
Accumulated amortisation	(556)	(556)
	-	-
<u>Campaign production costs</u>		
At cost	500	1,667
Accumulated amortisation	(10)	(982)
	490	685
<u>Work in progress</u>		
At cost	107	-
Accumulated amortisation	-	-
	107	-
	768	768
Reconciliations:		
<u>Software and website development</u>		
Carrying amount at start of period	83	59
Additions	191	89
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(103)	(65)
Carrying amount at end of period	171	83
<u>Development costs</u>		
Carrying amount at start of period	-	179
Additions	-	-
Adjustments	-	-
Disposals	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	-	(179)
Carrying amount at end of period	-	-
<u>Campaign production costs</u>		
Carrying amount at start of period	685	1,241
Additions	500	-
Adjustments	-	-
Disposals	(268)	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(427)	(556)
Carrying amount at end of period	490	685
<u>Work in progress</u>		
Additions	107	-
Carrying amount at end of period	107	-

Note 24. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2016.

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

All surplus assets at 30 June 2016 have either been classified as assets held for sale or written off.

Note 25. Payables

	2016 \$'000	2015 \$'000
Current		
Trade payables	297	1,066
Other payables	40	43
Accrued salaries	-	347
Accrued expenses	2,472	1,862
Total current	2,809	3,318

Note 26. Provisions

	2016 \$'000	2015 \$'000
Current		
<i>Employee benefits provision</i>		
Annual leave (a)	956	1,025
Long service leave (b) (see opposite page for footnote)	1,026	1,009
Purchased leave	2	5
	1,984	2,039
<i>Other provisions</i>		
Employment on-costs (c) (see opposite page for footnote)	260	298
	260	298
	2,244	2,337
Non-current		
<i>Employee benefits provision</i>		
Long service leave (b) (see opposite page for footnote)	522	547
	522	547
<i>Other provisions</i>		
Employment on-costs (c) (see opposite page for footnote)	82	88
	82	88
	604	635

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

	2016 \$'000	2015 \$'000
Within 12 months of the end of the reporting period	647	692
More than 12 months after the end of the reporting period	309	333
	956	1,025

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

	2016 \$'000	2015 \$'000
Within 12 months of the end of the reporting period	468	422
More than 12 months after the end of the reporting period	1,080	1,134
	1,548	1,556

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 13 'Other expenses'.

Movements in other provisions

	2016 \$'000	2015 \$'000
Movements in each class of provisions during the period, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	386	412
Additional provisions recognised	-	-
Payments/other sacrifices of economic benefits	(44)	(26)
Unwinding of the discount	-	-
Carrying amount at end of period	342	386

Note 27. Other liabilities

	2016 \$'000	2015 \$'000
<u>Current</u>		
Income in advance	165	-
Lease incentive liability (a)	-	56
Total current	165	56

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



Cottesloe Beach, Perth

Note 28. Equity

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

Contributed equity

	2016 \$'000	2015 \$'000
Balance at start of period	9,093	8,943
<u>Contributions by owners</u>		
Capital appropriations	150	150
<u>Other contributions by owners</u>		
Royalties for Regions Fund – Regional Community Services Account	250	-
Total contributions by owners	400	150
Balance at end of period	9,493	9,093

Reserves

	2016 \$'000	2015 \$'000
<u>Asset revaluation surplus</u>		
Balance at start of period	-	2,010
Net revaluation increments/(decrements)	-	-
Transfer to accumulated surplus (a)	-	(2,010)
Balance at end of period	-	-

Accumulated surplus

	2016 \$'000	2015 \$'000
Balance at start of period	4,766	1,547
Result for the period	741	1,209
Income and expense recognised directly in equity	-	-
Transfer from asset revaluation reserve (a)	-	2,010
Balance at end of period	5,507	4,766
Total equity at end of period	15,000	13,859

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



Note 29. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2016	2015
	\$'000	\$'000
Cash and cash equivalents	6,408	6,464
Restricted cash and cash equivalents	54	680
	6,462	7,144

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

	2016	2015
	\$'000	\$'000
Net cost of services	(83,211)	(82,163)
<u>Non-cash items</u>		
Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	748	1,022
Services received free of charge (note 16 'Income from State Government')	757	720
Net loss on disposal of property, plant and equipment	267	7
(Gain)/loss on foreign exchange	(9)	(8)
Write-down of prior year debt	-	36
Adjustment for other non-cash items	7	(7)
<u>(Increase)/decrease in assets</u>		
Current receivables (a)	113	150
Other current assets	(1,084)	22
Other non-current assets	(143)	8
<u>Increase/(decrease) in liabilities</u>		
Current payables (a)	(509)	(1,313)
Current provisions	(93)	78
Other current liabilities	109	(30)
Non-current provisions	(31)	(47)
Other non-current liabilities	-	(56)
Net GST receipts/(payments) (b)	(179)	(1,033)
Change in GST in receivables/payables (c)	54	151
Net cash used in operating activities	(83,204)	(82,463)

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

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

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

Fitzroy Bluff, The Kimberley

Note 30. Commitments

The commitments detailed below are inclusive of GST.

Non-cancellable operating lease commitments

	2016 \$'000	2015 \$'000
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the Financial Statements are payable as follows:		
Within 1 year	176	1,601
Later than 1 year and not later than 5 years	205	274
	381	1,875

The WATC leases its motor vehicles from State Fleet, a division of the Department of Finance. Property is rented under lease to the Honourable Minister for Works and through a Memorandum of Understanding between the Department of Finance and the WATC. The property leases are non-cancellable leases with terms of up to 10 years and rent is payable monthly in advance.

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

Other expenditure commitments

	2016 \$'000	2015 \$'000
Other expenditure commitments in relation to the sponsorship of events within Western Australia and other contracts and agreements for operational activities in place at the end of the reporting period but not recognised as liabilities are payable as follows:		
Within 1 year	34,499	28,027
Later than 1 year and not later than 5 years	37,182	27,490
	71,681	55,517

Note 31. Contingent liabilities and contingent assets

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

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

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



Rottnest Island, Perth

Note 33. Explanatory statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015, are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$1.7 million (2% of prior year Total Cost of Services) for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$377,000 (2% of original budget Total Assets) for the Statement of Financial Position.

It should be noted that 2015 Budget figures in the following tables do not match budgets contained in the 2015-16 State Budget Statements due to categorisation differences between Tourism WA's financial statements and the State budget statements. For comparative purposes against 2016 actuals, budgets reported in this note represent State budget figures after re-categorisation adjustments. The totals of each financial statement as reported in the 2015-16 State Budget Statements remain unchanged.

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

2016 Key Budget Movements

	Original Budget 2016 \$'000	Revised Budget 2016 \$'000	Budget Movement \$'000
<u>Statement of Comprehensive Income</u>			
Total cost of services ¹	89,119	88,941	(178)
Net cost of services	86,396	86,218	(178)
Service appropriation	63,583	63,583	-
Royalties for Regions Fund	21,965	21,628	(337)
Total income from State Government	86,005	85,668	(337)
<u>Statement of Financial Position</u>			
Cash and cash equivalents	6,703	6,691	(12)
Total current assets	11,505	12,182	677
Total assets	18,848	19,586	738
Total liabilities	7,539	5,878	(1,661)
Total equity	11,309	13,708	2,399
			\$'000
¹ Total cost of services – original budget			89,119
<u>Budget adjustments during the year:</u>			
Royalties for Regions adjustments:			
Transfer Regional Tourism Marketing expenditure budget from operating to capital for campaign production costs			(250)
Expenditure carryover from 2014-15 (Caravan and Camping)			75
Removal of district allowance expenditure no longer applicable			(3)
Total budget adjustments during the year			(178)
Total cost of services – revised budget			88,941

Statement of Comprehensive Income

	Variance Note	Original Budget 2016	Actual 2016	Variance between budget and actual	Variance between budget and actual	Actual 2015	Variance between actual results for 2016 and 2015	Variance between actual results for 2016 and 2015
		\$'000	\$'000	\$'000	%	\$'000	\$'000	%
COST OF SERVICES								
Expenses								
Employee benefits expense		12,721	11,591	(1,130)	9%	12,291	(700)	6%
Supplies and services	A	27,202	27,558	356	1%	25,094	2,464	10%
Depreciation and amortisation expense		1,258	748	(510)	41%	1,022	(274)	27%
Accommodation expenses		2,366	2,182	(184)	8%	2,039	143	7%
Grants and subsidies		5,420	5,165	(255)	5%	4,519	646	14%
Event operations expenses	1, B	21,959	19,319	(2,640)	12%	23,223	(3,904)	17%
Advertising and promotion expenses	C	18,112	18,209	97	1%	16,171	2,038	13%
Other expenses		81	381	300	370%	553	(172)	31%
Total cost of services		89,119	85,153	(3,966)	4%	84,912	241	0%
Income								
Revenue								
Commonwealth grants and contributions		1,388	962	(426)	31%	900	62	7%
Interest revenue		250	299	49	20%	374	(75)	20%
Other revenue		1,085	681	(404)	37%	1,475	(794)	54%
Total Revenue		2,723	1,942	(781)	29%	2,749	(807)	29%
Total income other than income from State Government		2,723	1,942	(781)	29%	2,749	(807)	29%
NET COST OF SERVICES		86,396	83,211	(3,185)	4%	82,163	1,048	1%
Income from State Government								
Service appropriation		63,583	63,583	-	0%	65,932	(2,349)	4%
Resources received free of charge		457	757	300	66%	720	37	5%
Royalties for Regions Fund	2, D	21,965	19,612	(2,353)	11%	16,720	2,892	17%
Total income from State Government		86,005	83,952	(2,053)	2%	83,372	580	1%
SURPLUS/(DEFICIT) FOR THE PERIOD		(391)	741	1,132		1,209	(468)	
OTHER COMPREHENSIVE INCOME								
Items not reclassified subsequently to profit or loss								
Changes in asset revaluation surplus		-	-	-	0%	-	-	
Total other comprehensive income		-	-	-	0%	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(391)	741	1,132		1,209	(468)	

Statement of Financial Position

	Variance Note	Original Budget 2016	Actual 2016	Variance between budget and actual	Variance between budget and actual	Actual 2015	Variance between actual results for 2016 and 2015	Variance between actual results for 2016 and 2015
		\$'000	\$'000	\$'000	%	\$'000	\$'000	%
ASSETS								
Current Assets								
Cash and cash equivalents		6,703	6,408	(295)	4%	6,464	(56)	1%
Restricted cash and cash equivalents		-	54	54	100%	680	(626)	92%
Receivables		1,322	2,048	726	55%	2,033	15	1%
Prepayments	3, E	3,005	4,067	1,062	35%	2,983	1,084	36%
Amounts receivable for services		475	475	-	0%	475	-	0%
Total Current Assets		11,505	13,052	1,547	13%	12,635	417	3%
Non-Current Assets								
Amounts receivable for services		6,303	6,303	-	0%	6,086	217	4%
Property, plant and equipment		580	450	(130)	22%	610	(160)	26%
Intangible assets	4	346	768	422	122%	768	-	0%
Other non-current assets		114	249	135	118%	106	143	135%
Total Non-Current Assets		7,343	7,770	427	6%	7,570	200	3%
TOTAL ASSETS		18,848	20,822	1,974	10%	20,205	617	3%
LIABILITIES								
Current Liabilities								
Payables		4,569	2,809	(1,760)	39%	3,318	(509)	15%
Provisions		2,259	2,244	(15)	1%	2,337	(93)	4%
Other current liabilities		28	165	137	489%	56	109	195%
Total Current Liabilities		6,856	5,218	(1,638)	24%	5,711	(493)	9%
Non-Current Liabilities								
Provisions		683	604	(79)	12%	635	(31)	5%
Total Non-Current Liabilities		683	604	(79)	12%	635	(31)	5%
TOTAL LIABILITIES		7,539	5,822	(1,717)	23%	6,346	(524)	8%
NET ASSETS		11,309	15,000	3,691	33%	13,859	1,141	8%
EQUITY								
Contributed equity		9,243	9,493	250	3%	9,093	400	4%
Reserves	5	2,010	-	(2,010)	100%	-	-	0%
Accumulated surplus/(deficit)		56	5,507	5,451	-	4,766	741	-
TOTAL EQUITY		11,309	15,000	3,691	33%	13,859	1,141	8%

Statement of Cash Flows

	Variance Note	Original Budget 2016	Actual 2016	Variance between budget and actual	Variance between budget and actual	Actual 2015	Variance between actual results for 2016 and 2015	Variance between actual results for 2016 and 2015
		\$'000	\$'000	\$'000	%	\$'000	\$'000	%
CASH FLOWS FROM STATE GOVERNMENT								
Service appropriation		62,891	62,891	-	0%	65,240	(2,349)	4%
Capital appropriation		150	400	250	167%	150	250	167%
Holding account drawdown		475	475	-	0%	475	-	0%
Royalties for Regions Fund	2, D	21,965	19,612	(2,353)	11%	16,720	2,892	17%
Net cash provided by State Government		85,481	83,378	(2,103)	2%	82,585	793	1%
CASH FLOWS FROM OPERATING ACTIVITIES								
Payments								
Employee benefits		(12,721)	(12,034)	(687)	5%	(12,392)	(358)	3%
Supplies and services	A	(26,658)	(27,253)	595	2%	(24,869)	2,384	10%
Accommodation		(2,541)	(2,274)	(267)	11%	(2,412)	(138)	6%
Grants and subsidies		(5,420)	(5,188)	(232)	4%	(4,517)	671	15%
GST payments on purchases	6	(3,341)	(6,261)	2,920	87%	(6,371)	(110)	2%
Event operations payments	1, B	(21,959)	(20,174)	(1,785)	8%	(23,609)	(3,435)	15%
Advertising and promotion payments	C	(18,112)	(17,971)	(141)	1%	(16,150)	1,821	11%
Other payments		(81)	(157)	(76)	94%	(120)	37	31%
Receipts								
Commonwealth grants and contributions		1,388	1,020	(368)	27%	900	(120)	13%
Interest received		250	293	43	17%	395	102	26%
GST receipts on sales	6	343	61	(282)	82%	122	61	50%
GST receipts from taxation authority		2,998	6,021	3,023	101%	5,217	(804)	15%
Other receipts		1,085	713	(372)	34%	1,343	630	47%
Net cash used in operating activities		(84,769)	(83,204)	1,565	2%	(82,463)	741	1%
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments								
Purchase of non-current assets		(625)	(856)	231	37%	(214)	642	300%
Receipts								
Proceeds from sale of non-current assets		-	-	-	0%	-	-	0%
Net cash used in investing activities		(625)	(856)	231	37%	(214)	642	300%
Net increase/(decrease) in cash and cash equivalents		87	(682)	(769)		(92)	(590)	
Cash and cash equivalents at the beginning of the period		6,616	7,144	528		7,236	(92)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		6,703	6,462	(241)		7,144	(682)	

Major Estimate and Actual (2016) Variance Narratives

1. Event operations expenses is below budget due to an underspend in Royalties for Regions event sponsorship. The unspent funds are primarily due to a number of high-value previously funded events no longer being sponsored. Due to the lead time required to evaluate and obtain approval for event sponsorships, the budget was unable to be reallocated to other regional events.
2. Less Royalties for Regions funding was drawn down from the Department of Regional Development as a consequence of the expected underspend in event sponsorship.
3. Prepayments are greater than budget due to a higher level of event sponsorship payments made in 2015-16, and prior, for events being held in 2016-17.
4. Intangible assets are greater than estimated due to the commissioning of two films (classified as campaign production costs) for the State's new marketing campaign. These costs were not built into the original budget.
5. The balance of Reserves was transferred to Accumulated surplus in 2014-15 after the 2015-16 Budget was prepared.
6. The WATC's GST inflow/outflow estimates were understated in the 2015-16 State budget papers. These estimates were updated as part of the 2015-16 whole-of-government Mid Year Budget Review process.

Major Actual (2016) and Comparative (2015) Variance Narratives

- A. Supplies and services expenditure is greater compared to prior year mainly due to a higher level of Royalties for Regions program activity - additional contract for service payments were made to Regional Tourism Organisations and to the WA Indigenous Tourism Operators Council (WAITOC) when compared with 2014-15.
- B. The decrease in Event operations expenses is the result of a lower level of overall funding available for event sponsorships in 2015-16 as well as the underspend in Royalties for Regions-funded events (see note 2).
- C. Advertising and promotion expenses increased as a result of a new Royalties for Regions program for Regional Tourism Marketing.
- D. The Royalties for Regions funding increase is due to new programs in 2015-16 (Regional Tourism Marketing and WAITOC) and an increase to an existing program (Regional Visitor Centre grants). The increases are offset by a decrease in funding to some programs (Regional Events Program and Caravan and Camping) and the cessation of a program in 2014-15 (Kimberley Science and Conservation Strategy).
- E. There was a higher level of event sponsorship prepayments in 2015-16 for events being held in 2016-17 – see note 3.



Injidup Beach, Margaret River Region
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Note 34. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

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

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

Liquidity risk

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

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

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

Market risk

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

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

Currency risk

In 2015-16, the WATC policy to minimise the risks associated with foreign currency fluctuations required that in all cases where the total contracted or committed amount exceeded AUD \$100,000, at least 80% of the foreign exchange exposure arising from international contracts be covered by forward purchase arrangements of the required foreign currency through the WA Treasury Corporation.



(b) Categories of financial instruments

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

	2016 \$'000	2015 \$'000
Financial Assets		
Cash and cash equivalents	6,408	6,464
Restricted cash and cash equivalents	54	680
Receivables (a)	450	563
Amounts receivable for services	6,778	6,561
Available for sale financial asset	249	106
Financial Liabilities		
Financial liabilities measured at amortised cost	2,809	3,318

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

(c) Financial instrument disclosures

Credit risk

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

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

Ageing analysis of financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired					Impaired financial assets \$'000
			Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	
Financial Assets								
2016								
Cash and cash equivalents	6,408	6,408	-	-	-	-	-	-
Restricted cash and cash equivalents	54	54	-	-	-	-	-	-
Receivables (a)	450	412	37	1	-	-	-	-
Amounts receivable for services	6,778	6,778	-	-	-	-	-	-
Available for sale asset	249	249	-	-	-	-	-	-
	13,939	13,901	37	1	-	-	-	-
2015								
Cash and cash equivalents	6,464	6,464	-	-	-	-	-	-
Restricted cash and cash equivalents	680	680	-	-	-	-	-	-
Receivables (a)	563	415	-	148	-	-	-	-
Amounts receivable for services	6,561	6,561	-	-	-	-	-	-
Available for sale asset	106	106	-	-	-	-	-	-
	14,374	14,226	-	148	-	-	-	-

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

Liquidity risk and interest rate exposure

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

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

	Weighted Average Effective Interest Rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
			\$'000	\$'000	\$'000
2016	%	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	2.03	6,408	-	6,355	53
Restricted cash and cash equivalents	2.03	54	-	54	-
Receivables (a)		450	-	-	450
Amounts receivable for services		6,778	-	-	6,778
Available for sale asset		249	-	-	249
		13,939	-	6,409	7,530
Financial Liabilities					
Payables		2,809	-	-	2,809
		2,809	-	-	2,809

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

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

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
			\$'000	\$'000	\$'000
2015	%	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	2.50	6,464	-	6,420	44
Restricted cash and cash equivalents	2.50	680	-	680	-
Receivables (a)		563	-	-	563
Amounts receivable for services		6,561	-	-	6,561
Available for sale asset		106	-	-	106
		14,374	-	7,100	7,274
Financial Liabilities					
Payables		3,318	-	-	3,318
		3,318	-	-	3,318

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

Nominal Amount	Maturity dates				
	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6,408	6,408	-	-	-	-
54	54	-	-	-	-
450	450	-	-	-	-
6,778	-	-	475	1,900	4,403
249	249	-	-	-	-
13,939	7,161	-	475	1,900	4,403
2,809	2,344	-	465	-	-
2,809	2,344	-	465	-	-

Nominal Amount	Maturity dates				
	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6,464	6,464	-	-	-	-
680	680	-	-	-	-
563	563	-	-	-	-
6,561	-	-	475	1,900	4,186
106	106	-	-	-	-
14,374	7,813	-	475	1,900	4,186
3,318	2,881	-	437	-	-
3,318	2,881	-	437	-	-

Interest rate sensitivity analysis

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

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

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2015					
<u>Financial Assets</u>					
Cash and cash equivalents	6,420	(64)	(64)	64	64
Restricted cash and cash equivalents	680	(7)	(7)	7	7
Total Increase/(Decrease)		(71)	(71)	71	71

Fair values

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



Kings Park, Perth

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

Remuneration of members of the accountable authority

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

	2016	2015
\$		
10,001 – 20,000	-	1
20,001 – 30,000	3	-
30,001 – 40,000	4	6
40,001 – 50,000	1	1
50,001 – 60,000	1	-
60,001 – 70,000	1	1

	\$'000	\$'000
Base remuneration and superannuation	355	336
Other benefits	33	13
Total remuneration of members of the accountable authority	388	349

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

Remuneration of senior officers

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

	2016	2015
Remuneration Band (\$)		
50,001 – 60,000	-	1
60,001 – 70,000	1	-
70,001 – 80,000	-	1
80,001 – 90,000	2	1
90,001 – 100,000	1	-
110,001 – 120,000	1	-
120,001 – 130,000	-	1
140,001 – 150,000	1	2
160,001 – 170,000	-	1
170,001 – 180,000	1	-
180,001 – 190,000	1	-
210,001 – 220,000	1	1
280,001 – 290,000	1	1
360,001 – 370,000	-	1
370,001 – 380,000	1	-
	\$'000	\$'000
Base remuneration and superannuation	1,671	1,623
Annual and long service leave accruals	54	(57)
Other benefits	98	93
Total remuneration of senior officers	1,823	1,659

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

Note 36. Remuneration of auditor

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

	2016 \$'000	2015 \$'000
Auditing the accounts, financial statements and performance indicators	111	109

Note 37. Related bodies

There are no related bodies.

Note 38. Affiliated bodies

Perth Convention Bureau

The WATC entered into a contract for service with the Perth Convention Bureau Inc. (PCB) for the provision of the Convention and Incentive Travel Output previously undertaken by a division of the WATC. This contract covered the period 1 July 2012 to June 30, 2016. A new four-year agreement to 30 June 2020 was entered into during the year.

The WATC controls the activities of the PCB to the extent that it provides the majority of the PCB's funding and that the PCB has contracted to submit its annual operation plan and budget for approval by the WATC prior to implementation. The PCB is not subject to operational control by the WATC. The PCB received more than 50% of its total funding from the WATC in 2015-16.

Payments inclusive of GST made to the PCB in 2015-16 totalled \$4,138,192 (2014-15: \$4,046,262).

Regional Tourism Organisations

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

The RTOs are not subject to operational control by the WATC, but are required to submit their annual business plan for approval prior to implementation. All five RTOs received more than 50% of their total funding from the WATC in 2015-16.

Base payments, inclusive of GST, made to each RTO in 2015-16 were \$758,000 (2014-15: \$748,030). Total additional payments made to the RTOs in 2015-16 for other activities were \$1,218,409 (2014-15: \$383,043).

Western Australian Indigenous Tourism Operators Council (WAITOC)

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

WAITOC is not subject to operational control by the WATC but received more than 50% of its total funding from the WATC in 2015-16.

Total payments, inclusive of GST, made to WAITOC in 2015-16 were \$1,523,500 (2014-15: \$511,685).

Note 39. Supplementary financial information

(a) Write-offs

	2016 \$'000	2015 \$'000
Public property written off by the Executive Council during the financial year	-	-

(b) Losses through theft, defaults and other causes

	2016 \$'000	2015 \$'000
Losses of public moneys and public and other property through theft or default	-	-

(c) Gifts of public property

	2016 \$'000	2015 \$'000
Gifts of public property provided by the WATC	20	11

Note 40. Schedule of income and expenses by service

	Marketing		Event Tourism		Investment & Infrastructure		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES								
<u>Expenses</u>								
Employee benefits expense	6,306	6,048	2,494	3,219	2,791	3,024	11,591	12,291
Supplies and services	20,887	18,107	2,688	3,180	3,983	3,807	27,558	25,094
Depreciation and amortisation expense	617	804	63	107	68	111	748	1,022
Accommodation expenses	1,542	1,375	321	335	319	329	2,182	2,039
Grants and subsidies	491	391	262	124	4,412	4,004	5,165	4,519
Event operations expenses	-	-	19,319	23,223	-	-	19,319	23,223
Advertising and promotion expenses	15,740	13,140	2,274	2,654	195	377	18,209	16,171
Other expenses	206	45	103	482	72	26	381	553
Total cost of services	45,789	39,910	27,524	33,324	11,840	11,678	85,153	84,912
<u>Income</u>								
Commonwealth grants and contributions	-	-	-	-	962	900	962	900
Interest revenue	177	199	59	86	63	89	299	374
Other revenue	585	686	44	696	52	93	681	1,475
	762	885	103	782	1,077	1,082	1,942	2,749
Total income other than income from State Government	762	885	103	782	1,077	1,082	1,942	2,749
NET COST OF SERVICES	45,027	39,025	27,421	32,542	10,763	10,596	83,211	82,163
INCOME FROM STATE GOVERNMENT								
Service appropriation	38,914	37,299	19,787	23,521	4,882	5,112	63,583	65,932
Resources received free of charge	447	383	150	166	160	171	757	720
Royalties for Regions Fund	5,664	1,623	7,984	9,560	5,964	5,537	19,612	16,720
Total income from State Government	45,025	39,305	27,921	33,247	11,006	10,820	83,952	83,372
Surplus/(deficit) for the period	(2)	280	500	705	243	224	741	1,209

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



Warren National Park, Pemberton
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4.3 KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2016

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Tourism Commission's performance, and fairly represent the performance of the Western Australian Tourism Commission for the financial year ending June 30, 2016.



Peter Prendiville

CHAIRMAN

September 2, 2016



Howard Cearns

DEPUTY CHAIRMAN

September 2, 2016



Albany, Great Southern Region
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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 first year they have been reported on. These changes occurred to more closely align Agency KPIs with government goals. Where results are available and comparable, actuals for historical years have been provided.

The government goal that is supported by Tourism WA is “Financial and Economic Responsibility: Responsibly managing the State’s finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.”

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

The KPIs provide an indication of whether Tourism WA has achieved these outcomes. Tourism WA has two types of KPIs.

1. Key Effectiveness Indicators

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

2. Key Efficiency Indicators

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

1. 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.

	2015-16 Target	Results			
		2015-16 Actual	2014-15 Actual	2013-14 Actual	2012-13 Actual
KPI 1					
Total dollar amount spent by visitors in Western Australia	\$8.7 billion	\$9.0 billion	\$8.6 billion	\$7.7 billion	\$7.5 billion

Notes:

- i. The results of the National Visitor Survey (NVS) and the International Visitor Survey (IVS) are released by Tourism Research Australia (TRA) each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2015 in this instance). YE December information is used as it is usually available ahead of each year’s State Budget process.
- ii. The NVS figures are based on a large scale survey of Australians on land line or mobile telephones, while the IVS figures are based on interviews with international visitors at airport departure lounges across Australia.
- iii. Overnight Domestic Visitors Definition: Australian residents aged 15 years and over who spent at least one night away from home in Western Australia.
- iv. Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in Western Australia.
- v. Visitors include those travelling for leisure, business, visiting friends and relatives and education.
- vi. Spend information is sourced from the Tourism Regional Expenditure Research Program, provided by Tourism Research Australia. The expenditure figures are based on responses from the National and International visitor surveys for the visitor’s entire trip. The Regional Expenditure model allocates visitor expenditure to specific tourism regions to determine spend estimates for each of Australia’s states.
- vii. Sample size for Western Australia: daytrips n=2,286; domestic n=3,574; international n=5,096.
- viii. Confidence intervals for Western Australia: daytrips $\pm 2.05\%$; domestic $\pm 1.64\%$; international $\pm 1.37\%$
These confidence intervals are calculated by Tourism WA based on total sample sizes
- ix. The response rate for the International Visitor Survey is 66% and the National Visitor Survey is 46%.

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).

	2015-16 Target	Results			
		2015-16 Actual	2014-15 Actual	2013-14 Actual	2012-13 Actual
KPI 2					
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.8%	97.5%	97.8%	97.7%

Notes:

- Visitor expectations are measured through the Visitor Expectation and Experience Research.
- This is conducted through a face-to-face survey of intrastate, interstate and international visitors to WA.
- Interviewing takes place across the full year to address seasonality issues. Data is analysed and reported annually.
- The KPI measure is based on a sample size of n=400 visitors for 2015-16.
- This was made up of n=140 intrastate, n=127 interstate and n=133 international visitors.
- The response rate for 2015-16 was 76%.
- The confidence interval for the sample of n=400 interviews is +/-4.9% at the 95% confidence level. These confidence intervals are calculated by Tourism WA based on total sample sizes

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.

	2015-16 Target	Results			
		2015-16 Actual	2014-15 Actual	2013-14 Actual	2012-13 Actual
KPI 3					
Value of cooperative marketing funds provided by the tourism industry	\$6.5 million	\$6.9 million	\$7.5 million	\$8.2 million	\$6.0 million

Notes:

Domestic Cooperative Marketing

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

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

International Cooperative Marketing

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

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.

	2015-16 Target	2015-16 Actual
KPI 4		
Direct economic impact of major events sponsorship	\$27.1 million	\$33.2 million

Major events definition

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

Direct Economic Impact

- ii. Direct Economic impact is defined as the amount of new money that enters the WA economy as a direct result of an event (i.e. the money would not enter the economy if the event were not held). That is any event-related spend in the State by non-WA individuals and organisations, minus any spend outside the State by WA individuals and organisations. For events held in the State specifically for Western Australians to attend, an independent measure of the local economic activity generated by the event is determined. This represents the amount of event-related spend by WA individuals that flows through the WA economy.
- 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 current and relevant research for events. In some cases, this research may be from the prior period.

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.

During 2015/16, after the target figure was set, it was recognised that the AEV applied to event broadcasts needed to be refreshed, to reflect a reduction of media rates. Media rates have fallen due to increased fragmentation in the media landscape and the change in viewer consumption of broadcasts (e.g. increased prevalence of viewing events via online broadcast, rather than traditional TV).

Applying this revised AEV has resulted in a greater variance of the actual result, compared to the target. If the original rates had been used to report the media impact of major events for 2015-16, the direct impact would be reported at \$267.9 million - exceeding the \$196.0 million target.

	2015-16 Target	2015-16 Actual
KPI 5		
Direct media impact of major events sponsorship	\$196.0 million*	\$139.4 million**

*The 2015-16 target figure was set using assumed advertising equivalent rates that were available at the time of setting the target as set out above.

**The 2015-16 actual figure has been reported using the latest available advertising equivalent rates as set out above.

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 current and relevant research for events. In some cases, this research may be from the prior period.

2. KEY EFFICIENCY INDICATORS

6. DESTINATION MARKETING ADMINISTRATIVE COSTS AS A PROPORTION OF TOTAL COST OF SERVICES ALLOCATED TO DESTINATION MARKETING
7. EVENTS TOURISM ADMINISTRATIVE COSTS AS A PROPORTION OF TOTAL COST OF SERVICES ALLOCATED TO EVENTS TOURISM
8. TOURISM INVESTMENT AND INFRASTRUCTURE ADMINISTRATIVE COSTS AS A PROPORTION OF TOTAL COST OF SERVICES ALLOCATED TO TOURISM INVESTMENT AND INFRASTRUCTURE

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

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

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



Lake Kununurra,
The Kimberley

4.4 MINISTERIAL DIRECTIVES

Section 16 (2) of the Western Australian Tourism Commission Act 1983 requires that the text of any written directions from the Minister are to be recorded in the annual report. There were no such directions received in 2015-16.

4.5 OTHER FINANCIAL DISCLOSURES

4.5.1 CAPITAL WORKS

Tourism WA continued its asset replacement program in 2015-16. This included the production of campaign material and replacement of information and communication technology equipment and other office equipment.

4.5.2 EMPLOYMENT AND INDUSTRIAL RELATIONS

Our People

Tourism WA comprises 85.7 FTE (as at June 30, 2016). Of these employees, 71 per cent are female and 29 per cent male. Women continue to be well represented in the senior leadership team (Tiers 1-3) comprising 66 per cent of this group.

	2014-15		2015-16	
	Males	Females	Males	Females
Tier 1, 2, & 3	29%	71%	34%	66%
Total Agency	28%	72%	29%	71%
Total FTE	26.8	68	24.5	61.2

Note: Figures as at 30 June 2016.

Staff Development

Tourism WA has continued a program of activity during the year to support the development of our workplace and workforce. This has included:

- Actioning initiatives in Tourism WA's Workforce and Diversity Plan 2014-2017. This plan identifies initiatives that will further develop Tourism WA's capability to continue meeting current and future organisational goals, as well as ensuring a diverse and equitable workplace.
- Progressing the Tourism WA's Occupational Health and Safety Management Plan 2014-2017, with initiatives further enhancing the occupational health and safety of the workplace.
- Supporting cross-agency development through various acting and fixed-term opportunities. These placements have provided professional development and enhanced the capability within the agency.
- Encouraging the use of Performance Plans across the agency to formalise performance and development discussions between employees and line managers annually.

Tourism WA continues to review workforce resourcing of all divisions in order to ensure appropriate structures are in place to support the on-going achievement of the agency's objectives.



Rottneest Island, Perth

4.6 GOVERNANCE DISCLOSURES

SHARES IN ANOTHER BODY

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

UNAUTHORISED USE OF CREDIT CARDS

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

	2016
	\$
Aggregate amount of personal use expenditure for the reporting period	329
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	141
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	188
Aggregate amount of personal use expenditure outstanding at balance date	nil

SENIOR OFFICER INTERESTS

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

Senior Officer	Position Held	Supplier	Total Amount (\$) (excluding GST)
Peter Prendiville	Chairman	Cottesloe Beach Hotel	414.99
		Hotel Rottneest	3,488.26
		Mangrove Resort Hotel	13,727.83
		Sandalford Wines Pty Ltd	1,312.36
Howard Cearns	Deputy Chairman	Alex Hotel Northbridge/Shadow Wine Bar	25,014.17
		Swings and Roundabouts Ltd	997.73
		Como The Treasury/Wildflower by Como/The Post by Como	19,772.15
Neville Poelina	Commissioner	Uptuyu Aboriginal Adventures	4,709.09
		WAITOC Association Incorporated	1,393,095.46
Nathan Harding	Commissioner	Kalhaven Holdings Pty Ltd trading as Discover Australia Holidays	150,000.00

BOARD REMUNERATION

Remuneration of the Board of Commissioners of the Western Australian Tourism Commission in 2015-16 was as follows:

Position	Name	Period of membership	Remuneration (\$)
Chairman	Peter Prendiville	1 July 2015 to 30 June 2016	68,215
Deputy Chairman	Howard Cearns	1 July 2015 to 30 June 2016	51,331
Commissioner	Valerie Davies	1 July 2015 to 30 June 2016	36,956
Commissioner	Al Donald	1 July 2015 to 30 June 2016	36,956
Commissioner	Elizabeth Gaines	1 November 2015 to 30 June 2016	24,543
Commissioner	Nathan Harding	1 July 2015 to 30 June 2016	36,956
Commissioner	Tracey Horton	1 November 2015 to 30 June 2016	24,543
Commissioner	Nicole Lockwood	1 July 2015 to 30 June 2016	36,956
Commissioner	Neville Poelina	1 July 2015 to 30 June 2016	42,883
Commissioner	Ian Thubron	1 November 2015 to 30 June 2016-	29,193
Total			388,532

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

4.7 OTHER LEGAL REQUIREMENTS

ADVERTISING

Expenditure on advertising, market research, polling and direct mail

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

	2015-16 \$'000
(a) Advertising agencies	3,963
(b) Market research organisations	1,363
(c) Polling organisations	-
(d) Direct mail organisations	-
(e) Media advertising organisations	8,055
	13,381

	2015-16 \$'000		2015-16 \$'000
(a) Advertising agencies		(e) Media advertising organisations	
Cummins & Partners	3,962	Adcorp Australia Limited	7
Micromedia Advertising-Design	1	Adstream Australia Pty Ltd	1
	3,963	Asia Media Prisma	114
(b) Market research organisations		Asia Pacific Digital Australia Pty Ltd	182
AEC Group Limited	18	Big Head Digital	280
Hitwise Pty Ltd	58	Carat Australia Media Services Pty Ltd	3,176
Isentia Pty Ltd	127	Commoner Media Pty Ltd	30
Metrix Consulting Pty Ltd	775	Digital Balance Pty Ltd	122
Phocuswright Inc	7	Goolarri Media Enterprises Pty Ltd	49
Repucom Pty Ltd	183	Identity Creative	23
STR Global Ltd	13	JetMax Media Ltd	69
Taylor Nelson Sofres Australia Pty Ltd	146	Media Equation Pty Ltd	15
Thinkfield	36	Offshoot Creative	11
	1,363	OMD Beijing DDB Needham Advertising	81
		On Board Media	9
		Optimum Media Decisions (WA) Ltd	3,656
		Redwave Media Pty Ltd	1
		Seven Network (Operations) Limited	225
		Travmedia.Com Pty Ltd	4
			8,055

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RECORD-KEEPING PLAN

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

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

A compliance audit program is in place to audit Tourism WA against the record-keeping plan every three years, with the last one conducted in 2014.

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

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

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 with strategies to address the gaps identified in meeting the legislative requirements. The strategies are also informed by the review and consultation undertaken in preparation of the plan.

A new five-year (2017-2021) Disability Access and Inclusion Plan (DAIP) is currently being developed by Tourism WA, and will include all outcomes required under the legislation.

During 2015-16, the following activities were progressed:

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

Tourism WA is proud of its world-class events and the appeal these events have to national and international visitors. The event holders of all events sponsored by Tourism WA are required to use their best endeavours to ensure that, in respect to the event, it facilitates the desired access and inclusion outcomes expressly or implicitly set out in the Disability Access and Inclusion Plan (2012-2016) of Tourism WA. Specifically, the event holder must do all things reasonable to ensure that there are sufficient facilities at the venue for persons with disabilities to attend and maximize their enjoyment of the event.

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

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

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

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

Tourism WA also continues to improve and upgrade its website to facilitate stronger alignment with W3C online standards. All new online information and functionality implemented by Tourism WA is developed in line with best practice for people with disabilities wherever possible.

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

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

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

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

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

Tourism WA seeks public consultation directly and also through survey organisations and other research bodies. Tourism WA reminds all staff and also these organisations of the requirement under the DAIP, including the ability to provide the same opportunities for people with disabilities to be involved in any public consultation.

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

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

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

Tourism WA manages its employees in accordance with the public sector standards in human resource management and approved public sector policies and procedures. The Code of Ethics and Tourism WA's Code of Conduct provide the core principles for employee conduct and are communicated to employees on a regular basis.

During 2015-16, no breach claims against the public sector standards were received, and no reports of non-compliance were lodged with respect to the Code of Ethics or the Tourism WA Code of Conduct.

To ensure compliance with the Public Sector Standards and that conduct is in accordance with the Code of Ethics and Tourism WA's Code of Conduct, the agency has implemented the following initiatives:

- Experienced recruitment consultants are used for all long-term and permanent selection processes, with the internal human resource team reviewing all selection reports before consideration by senior line management.
- Accountable and Ethical Decision-Making Training Program continues to be conducted regularly. This training is provided to all new employees, with current employees attending every two years. The program supports Tourism WA's ongoing commitment to provide relevant information about accountability requirements to equip employees to deal with situations or issues that they may encounter in their roles.
- Information about the Code of Ethics and Code of Conduct are included in new employee induction packs and are also accessible for all employees via the Tourism WA intranet.

4.8 GOVERNMENT POLICY REQUIREMENTS

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Tourism WA's executive management team is committed to providing and maintaining a safe and healthy working environment for all employees, clients, contractors and members of the public; and one which is conducive to job satisfaction and productive work.

Tourism WA has an active Occupational Safety and Health Committee, inclusive of employee representatives, which meets quarterly and provides a key occupational safety and health consultative mechanism within the agency. The Committee's members are accessible and effectively utilised by both management and employees in the discussion and resolution of occupational safety and health issues and related matters.

Tourism WA continues a practical claims management approach for any Workers Compensation claims, by focusing on injury management and rehabilitation.

Tourism WA's Injury Management System was reviewed in 2015-16 and the system has been developed in accordance with the requirements of the *Workers Compensation and Injury Management Act 1981*. The system is implemented when any work-related injury or illness occur, and seeks to integrate the activities of medical practitioners, rehabilitation providers and workplace managers to facilitate the safe and early return of injured employees to meaningful work.

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

An external review of Tourism WA's Occupational Safety and Health systems was undertaken in the 2012-2013 reporting year. Systems were audited against Australian Standard AS/NZS 4801:2001 for Occupational Health and Safety Management Systems and the findings have been incorporated into Tourism WA's Occupational Safety and Health Management Plan 2014-2017. By June 30, 2016 85 per cent of the recommendations from the review were addressed and action implemented.

Tourism WA continued to action the Occupational Health and Safety Management Plan 2014 – 2017. During 2015-16 initiatives included; program of regular worksite and vehicle inspections; self-assessment against the WorkSafe Assessment tool; integration of OSH consideration during policy, procedure and guideline reviews; and review of the OSH Intranet page.

Performance indicators for 2015-16

Measure	2013-14	2014-15	2015-16	
			Target	Actual
Number of fatalities	0	0	0	0
Lost-time injury and/or disease incidence rate	0	0	0	0
Lost-time injury and/or disease severity rate	0	0	0	0
Percentage of injured workers returned to work:			Greater than 80%	100%*
(i) within 13 weeks	N/A	N/A	80% for (i)	N/A
(ii) within 26 weeks	N/A	N/A	and (ii)	
	82%	84%	Greater than or equal to 80%	79%**
Percentage of managers trained in occupational safety, health and injury management responsibilities				

*One (1) Workers Compensation claim was lodged relating to 2015-16 period and did not involve lost time.

**Includes employees acting in managerial roles.

Notes:

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Notes:

PUBLICATIONS

Tourism WA produces a wide range of publications available to download at tourism.wa.gov.au

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