



WESTERN AUSTRALIAN  
TOURISM COMMISSION

# ANNUAL REPORT 2001-2002

T H E   W O R L D ' S   C O N S U M E R S :  
A   N A T U R A L   C O N N E C T I O N

## MESSAGE TO THE MINISTER

To the Honorable Clive Brown MLA  
Minister for Tourism

It is my pleasure that, in accordance with the requirements of section 62 of the *Financial Administration Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Tourism Commission for the year ended 30 June 2002.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

Alan Mulgrew  
CHAIRMAN

Western Australian Tourism Commission Board

30 August 2002

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# TABLE OF CONTENTS

WESTERN AUSTRALIA

## I. VISION, MISSION AND COMMITMENT

- VISION, MISSION AND VALUES	4
- CHAIRMAN'S YEAR IN REVIEW	5
- CHIEF EXECUTIVE'S REPORT	7

2001-2002 OPERATING ENVIRONMENT	9
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## II. REPORT ON OPERATIONS

- Outcome 1 – Promotion of WA as a tourist destination	11
▪ Destination Marketing	11
▪ Event Tourism	18
▪ Convention and Incentive Travel	21
- Outcome 2 – Enhanced Tourism Industry, Infrastructure and Product Development	22
▪ Industry Development	22
▪ Visitor Servicing	23

III. OUTPUT/OUTCOMES	26
Output Performance	26

IV. CORPORATE SUPPORT, STRUCTURE AND GOVERNANCE	34
Clear Planning & Direction	34
Appropriate & Timely Information	37
Sound Resource Management	39
Adequate Controls	43

V. APPENDICES	45
• Publications	45
• Research and Development Summary	46
• Advertising and Sponsorship	47
• Certification of Key Performance Indicators and Audit Opinion	50
• Opinion of the Auditor General	51
• Key Performance Indicators at Outcome Level	52
• Efficiency Indicators	61
• Financial Statements	71



## VISION, MISSION & VALUES

WESTERN AUSTRALIA

### VISION

To create an effective partnership between the private sector and government to make tourism a premier industry for Western Australia.

### MISSION

To accelerate the sustainable growth of the tourism industry for the long-term social and economic benefit of the State.

### VALUES

The Commission is committed to performance excellence, in partnership with the industry. Our core values underlying this commitment are:

<b>Trust</b>	We communicate freely, honestly and fairly.
<b>Effectiveness &amp; Openness</b>	We provide an open and positive working environment in which everyone can perform his or her tasks effectively.
<b>Cooperativeness</b>	We achieve results through hard work at all levels.
<b>Innovation</b>	We initiate changes and innovation in order to enhance our performance.
<b>Motivation</b>	We encourage, deliver and acknowledge excellence in all aspects of our operation.
<b>Customer Focus</b>	We are committed to service excellence exceeding expectations.
<b>Respect</b>	We are accountable for the funding and resources invested in us.

## CHAIRMAN'S YEAR IN REVIEW

The Western Australian Tourism Commission (WATC) achieved significant results during a year in which the tourism industry faced extraordinary and unprecedented challenges.

The September 11 attacks in New York followed by the Ansett collapse, just three days later, presented the industry with a catastrophic and potentially crippling blow. The Western Australian Government, WATC and Tourism Council Western Australia responded quickly. Intrastate, interstate and international tourism offices developed strategic marketing strategies to accelerate a recovery.

While some areas of tourism are still experiencing difficulties, the industry can look forward to strong opportunities for growth over the medium to longer term, stimulating new investments and creating new job opportunities, especially in regional Western Australia. In environmentally sensitive areas, tourism can also help neutralise land and resource use conflict by offering sustainable alternatives.

The Tourism Forecasting Council expects about 10.4 million people a year to visit Australia in 2012, double the current number of visitors. It is important that strategies are implemented to ensure WA has the infrastructure necessary to meet this demand. Areas that need to be addressed are accommodation, transport, roads and energy and resource consumption. To achieve this goal, it will be necessary to cement relationships between the WATC and tourism industry partners as well as the broader business community.

In line with State Government policy and industry directions, the WATC is developing product that meets future tourism needs. The increased interest in nature-based attractions is important and it is Western Australia's rich bio-diversity and pristine eco-systems that set it apart and provide the scope for product differentiation. The State is now well positioned to establish itself as a world-premiere nature-based holiday destination with a diversity of product and attractions.

Air access continues to be a high priority for tourism in Western Australia, particularly following the collapse of Ansett and the impact of September 11. The State Government, WATC and the tourism industry have worked with Qantas to retain direct non-stop services from Japan and introduce direct services from Paris and Rome to Perth. The WATC played a major role in securing Emirates by actively encouraging the airline to introduce a new four day a week non-stop service from Dubai to Perth.

Domestic air capacity has been gradually increased with Qantas adding many new services to both interstate and regional networks. WATC has worked closely with Virgin Blue to encourage its entry into the State with services from Adelaide, Melbourne and, more recently, Sydney. QantasLink and Skywest have now added new intrastate services on routes previously operated by Ansett.

Notwithstanding these increases, it is imperative for the ongoing viability and growth of tourism in Western Australia that every effort is made to increase international and domestic seat capacity.

2001-2002 was the second year of the Partnership 21 five-year strategic plan. A review of the strategy is underway to ensure the Commission's plan for the growth of tourism meets the demands of Government, industry and the Western Australian community.

This review is particularly important as it will provide a knowledge platform from which the Commission can develop, implement and measure initiatives and resource usage. The review outcomes will encompass the full spectrum of Commission responsibilities. This involves closer working partnerships with regions, government agencies, major events and the convention industry.

I would like to express my sincere appreciation of the contribution made by the Board and Advisory Council members during 2001-2002.

On behalf of the Board, I would like to thank the management team, staff and contractors of the Commission. The WATC's ability to achieve significant results in such a difficult environment is directly due to the professionalism, dedication and commitment demonstrated by the Commission team during the past year.

Alan Mulgrew  
CHAIRMAN

30 August 2002

# CHIEF EXECUTIVE'S REPORT

This year's Annual Report reveals that 2001-2002 was a year of achievement and change.

The Western Australian tourism industry and the WA Tourism Commission have emerged from a tumultuous year in which we have all battled extraordinary odds and prevailed.

The impact of the September 11 attacks and the Ansett collapse struck at the heart of our tourism industry but the most recent figures show that we are fighting back successfully by doing what we know best - promoting Western Australia and all that it has to offer.

While the impact of the crisis is continuing to be felt by many operators, the outlook is positive.

Preliminary figures for the six months to March 2002 indicate that domestic tourism generated an additional \$161 million for Western Australia and the tourism industry over the previous year. This is a result of increased domestic visitor numbers of 19 per cent in the six months to March 2002. Importantly the number of nights visitors stayed in Western Australia also increased significantly in this period; 10 per cent on the same time for the previous year.

Unfortunately, the State is still suffering the effects of the downturn in international tourism as a result of September 11, 2001. The International Visitor Survey statistics produced by the Bureau of Tourism Research for the period September 2001 to March 2002 indicate that Western Australia is not recovering as quickly as most other Australian States/Territories. However in contrast to the International Visitor Survey, the number of international visitor arrivals (non-Australian passports) reported through Perth International Airport since February 2002, is returning to the same levels as in the previous 12 months.

Overall, Western Australia appears to be back on track to meet forecast increases in tourism of about seven per cent a year over the next 10 years.

The Western Australian Tourism Commission responded positively to the crisis while still implementing fundamental changes in its operations. Staff jobs, functions and activities were all re-evaluated through an internally-managed structural review.

The new structure places more emphasis on the development of closer working relationships with key industry partners, improving communication, achieving greater cooperation with the tourism industry, keeping abreast of market and product trends, advances in the use of technology, and providing the framework for Western Australian Tourism Commission staff to be more proactive rather than reactive.

Western Australia's markets have become more diverse and complex and the need to develop innovative, holistic marketing strategies is critical as more and more destinations join the chase for the tourist dollar.

Developing tourism by exploiting its potential in sectors not traditionally seen as part of the tourism industry is one of the most significant changes.

The Western Australian Tourism Commission will develop closer working relationships with other government agencies, State, Federal and local government and with a diversity of business and community organisations, to build better tourism product in WA.

The year has also seen an almost total change in the WATC's Board with seven of the eight members of the Board newly appointed this year. On behalf of the WATC, I would like to thank the outgoing board members for their support, guidance and contribution. I also welcome to the organisation the new board who bring an eclectic mix of high level skills, knowledge and experience.

Just as the tourism industry is now well placed to counteract the impacts of the events of the past 12 months, so the Western Australian Tourism Commission is now ready to meet the demands of an evolving tourism industry.

I applaud the extraordinary effort put in by all staff at the WATC over the past 12 months to assist the Western Australian tourism industry in rising to and meeting the unique and multiple challenges that they have had to face.

Richard Muirhead  
CHIEF EXECUTIVE OFFICER

30 August 2002



## 2001-2002 OPERATING ENVIRONMENT

There were several major issues that had a significant impact on the Western Australian Tourism Commission's (WATC) operating environment during 2001-2002.

The terrorist attacks on the World Trade Centre on September 11 affected tourism worldwide. Three days later, Ansett and its regional subsidiary Skywest were grounded. Capacity into Western Australia from the major east west trunk routes more than halved and air access to the State's regional centres virtually ceased.

The State Government and WATC acted swiftly. The Government allocated \$5 million in crisis funding for new promotional and marketing activities that would assist the tourism industry through the crisis. Remarkably, signs of recovery are beginning to show in the domestic market. While intrastate tourism increased by an unprecedented 14 per cent in the 12 months to March 2002, there was a decline in interstate tourists of 7.9 per cent, or 77,000 visitors in the 12 months to March 2002. Internationally, Western Australia is yet to return to the numbers of international visitors it enjoyed prior to September 11 and the collapse of Ansett.

The majority of the crisis funding has been allocated with a number of initiatives still to run in 2002-2003.

Initially, campaigns focused on the critical intrastate market, which represents about 70 per cent of business for most WA operators. Opportunities have also been developed interstate and internationally. Both these market segments remain volatile.

Airline access and airfares continue to be a major issue. Through the efforts of the State Government, the WATC and industry, we were able to convince Qantas to retain its non-stop Tokyo/Perth route. Emirates introduced four direct non-stop services per week from Dubai to Perth. The WATC is part of the State Government Strategic Aviation Committee reviewing Western Australia's air transport issues and policies. This committee worked with Qantas to secure new direct 747 services from Rome and Paris to Perth.

Domestically air capacity has gradually increased with Qantas adding many new services from Brisbane, Sydney and Melbourne to Perth, as well as two permanent 737 aircraft operating services to Broome, Karratha, Kalgoorlie and Darwin. Skywest recommenced regional air services one week after the original grounding of Ansett in September. Both QantasLink and Skywest covered routes previously serviced by Ansett. The WATC also worked closely with Virgin Blue to encourage their entry to the Perth market from Adelaide, Sydney and Melbourne. Work is continuing with Skywest, Qantas and QantasLink to increase services for remote regional areas, particularly the North West of the State.

The loss of Ansett services to and within Western Australia has had a significant impact on tourism to the State. While Qantas has worked hard to restore seat capacity to levels experienced prior to September 14, the State has lost the benefit of competitively priced seats available on a regular basis that resulted from carriers competing for market share.

Work will continue with domestic and international airlines, Westralia Airports Corporation and the Department of Planning and Infrastructure to develop additional direct international air services from high priority regions including Japan, Malaysia, Taiwan, Peoples Republic of China and the Middle East.

Global tourism uncertainty continues to present some issues for the local industry. The WATC has broadened its marketing scope to encompass changes in travel patterns and develop new opportunities in future and emerging markets.

Nature-based/eco-tourism has an exciting future. The World Tourism Organisation has predicted that over the next 10 years demand will increase substantially for destinations that offer a unique and interactive nature-based tourism experience. Western Australia is promoted in all markets as a premier nature-based tourism destination offering a safe, friendly holiday environment. This orientation is being pursued in harmony with the State's traditional tourism attractions, including heritage and industrial tourism.

A number of product niche markets are being developed under the umbrella of sustainable tourism including culture, indigenous tourism, education, health, sport, wine and food, navy/cruising, forestry, backpackers, dive and drive.

Competition for event-based tourism intensified in 2001-2002 with many countries and cities devoting increased resources to attracting events. This continues to be a major focus for Western Australia with sporting events that showcase the State and enhance its image in our core markets. The WATC actively pursues major events to attract additional visitors and provide economic benefit to the State.

Western Australia is also expected to attract an increasing share of the conference market and, in particular, the incentive market with family-friendly destinations taking precedence over exotic adventure destinations, particularly post September 11.

Opportunities have expanded in the Meetings, Incentive Conventions and Exhibitions (MICE) sector with the commencement of the construction of the new Perth Convention and Exhibition Centre and increased capacity at the Burswood International Resort Casino, allowing Western Australia to bid for larger scale conferences and exhibitions.

All WATC campaigns will be jointly promoted through the WATC's website ([www.westernaustralia.net](http://www.westernaustralia.net)) and, where appropriate, the Virtual Call Centre to capitalise on the growing use of the internet as a marketing tool. The website will continue to be developed as an integral marketing and promotional medium for the State.

Western Australian tourism product will also gain greater on-line exposure at both a national and international level through the introduction of the Australian Tourism Data Warehouse and its links with the WA Tourism Network.

Other issues include:

- **Public Liability Insurance:** Big increases in public liability insurance premiums are affecting the commercial viability of many tourism businesses.
- **GST on strata title accommodation developments:** GST on these developments is levied twice, once on the sale of the strata unit and again on the daily tariff charged for short term occupancy. This is a dis-incentive to investors and has resulted in a reduction of strata title accommodation developments in Western Australia.
- **Land Tax:** There have been big increases in the valuation on unimproved land at caravan parks and resorts in some shires impacting on both the price to the end users and in some cases, the viability of operators.
- **Tourism and Pastoral Leases:** Access by tourist operators across pastoral leases can impact on the lessee's right to quiet enjoyment of their property and restrict the use of some sections of the lease. The terms of tenure for use of the land under pastoral leases needs to be assessed under criteria that considers favourable economic use and future public interest.
- **Airline Seats:** With the demise of Ansett, Western Australia lost some of the benefits of competition through competitively priced seats. While seat capacity has increased tourism depends on freely available competitively priced seats, which are still short of levels provided 12 months ago.
- **Regional Aviation:** Access to adequately priced Regular Passenger Transport services for remote and regional tourism destinations continues to be a huge issue for tourism in terms of both developing new product and the viability of existing product.

## REPORT ON OPERATIONS

### OUTCOME 1.0 - PROMOTION OF WESTERN AUSTRALIA AS A TOURIST DESTINATION

#### **Objective**

To promote Western Australia as an attractive tourist, event, and convention and incentive travel destination within Australia and overseas.

#### **Outcome**

- promotion of Western Australia, the destination, tourist facilities and services, in conjunction with the tourism industry, and the provision of a public information and booking service;
- identification, securing and management of special event opportunities and promotion of Western Australia as a venue for national and international events;
- identification and securing of convention and incentive opportunities and the marketing of Western Australia as a destination for conventions and incentive travel programs.

### KEY OUTPUT AREA 1.1 – DESTINATION MARKETING

#### **Objective**

The WATC promotes Western Australia as a desirable holiday destination in the core and emerging markets domestically and internationally.

#### **Key Output Description**

The WATC works with industry to devise and implement campaigns to increase consumer and trade awareness of WA as a desirable destination.

Strong alliances have been formed with transport providers, Regional Tourism Associations and other relevant organisations.

#### **MAJOR ACHIEVEMENTS IN 2001-2002**

At the request of the WATC and Tourism Council Western Australia, the State Government made available \$5million in crisis funding to counter the effects of Ansett's collapse and the September 11 attacks on Western Australian tourism.

#### **INTERNATIONAL**

- Evolution of the Brand WA campaign based on extensive field research resulted in new creative, featuring the positioning line 'Western Australia... Be touched by nature'. The new creative was rolled out in three major campaigns in the core markets of the United Kingdom, Singapore and Malaysia in the second half of 2002.
- The WATC re-entered the New Zealand market with a major brand campaign supported by the ATC, Air New Zealand and two principal wholesalers. The campaign was based on the outcomes of ATC research which identified opportunities for WA in this significant outbound market.
- The WATC launched its Brand WA campaign in Malaysia in March 2002. The campaign adopted a press-led strategy and for the first time included bold electronic billboard advertising in high traffic Kuala Lumpur locations. The campaign also ran in Johor Bahru and Penang.
- The WATC participated for the first time in the ATC Arab Travel Mart and the Emirates Holiday Brochure Launch in Dubai. These events were part of the build up to the inaugural flights from Dubai to Perth with Emirates. The WATC also participated in an industry Roadshow throughout the Gulf Region aimed at building trade awareness of the State's tourism product.

- In Singapore, the Brand WA campaign which launched in February 2002 took an innovative approach using the Mass Rapid Transit (MRT) rail system as a promotional vehicle. Other components included press (newspaper) and a 52-page magazine supplement.
- The WATC participated in a AUD\$1.56M cooperative advertising campaign in Japan in partnership with the ATC, Qantas and key Japanese wholesalers. The aim was to stimulate traffic to Perth during the trough period of April, May & June. WATC Japan also partnered Singapore Airlines and wholesalers in Western Japan. Some 50 newspaper advertisements were placed over the life of the campaign promoting tour departures from February to September.
- A seven-week WATC sub-brand campaign was undertaken in Hong Kong with the ATC. The campaign involved 12 full-page colour advertorial style ads and Brand WA MRT posters at selected subway stations.
- The WATC launched the Japanese language website [www.westernaustralia.or.jp](http://www.westernaustralia.or.jp)
- Participated in major consumer fairs including: NATAS (National Association of Travel Agents) and MATTA (Malaysia Association of Tour & Travel Agents) Fairs, Boot (Duesseldorf Dive Show).
- Participation in the Japan Australia Mission (JAM) with a record number of WA suppliers and the Australian Tourism Exchange (ATE) where 48 individual tourism operators participated.
- Implementation of international crisis marketing activities in core and emerging markets has to date generated in excess of 10,000 passengers contributing over AUD\$8.6 million in incremental business for the State.
- In July 2001, the WATC played a significant role in convincing Qantas Airways to maintain its 3 x weekly direct non-stop air services between Tokyo and Perth. WATC Japan developed and undertook a range of marketing activities aimed at further stimulating traffic on this route. An additional \$170K of WATC funds was allocated towards this activity. New initiatives included the launch of a Japanese language trade newsletter and inaugural East Coast Sales Mission in 2001 targetting major inbound operators.
- Launch of the concept "Australia's Dolphin Coast" in the Japanese marketplace.
- In conjunction with CALM the development and introduction of a nature-based CD-ROM featuring State and Regional attractions and seasonal activities.
- Development of a CDROM showcasing Western Australia as a viable Cruise destination. The CD-ROM was distributed at Seatrade Miami February 2002 and well received by the major international Cruise Ship companies.
- Production and distribution of a 5-minute video presentation promoting Perth/Fremantle as a prime Liberty Port for visiting US Navy ships.
- The WATC appointed PR Agencies in London and Munich to capitalize on the growing media interest in nature-based tourism, to strengthen WATC media relations and to develop cost-effective opportunities to position WA as Australia's premier nature-based tourism destination.
- The WATC hosted 148 international and domestic media visits to the State in 2001-2002 involving over 436 participants. Increased demand from the media for WA itineraries, a strengthening of the relationship with the ATC Visiting Journalist Program and the appointment of PR agencies in-market reinforces the media familiarisation program as an integral component of the Commission's marketing communication activities. High profile media included Guangzhou TV with Chinese diving Gold medalist Ms Fu Ming Xia, City Network TV (Singapore) and Channel 12-TV Tokyo.
- Trade Awareness - The WATC hosted 44 key trade visits to the State in 2001-2002 involving some 350 participants. The WATC also hosted more than 80 influential inbound tour operators to its annual Inbound Tour Operators' Workshop (ITOW) in August.

- Supported by a record number of Western Australian sellers, the 2001 ITOW was rated the best ever by the industry and one of the best trade shows in Australia. The ITOW (a WATC initiative) has evolved to be one of the principal trade activities for industry on the annual inbound tour calendar.
- WA was appointed as the host State for the 2003 ATEC Symposium and Workshop. This followed the submission of a high quality bid from the WA tourism industry, coordinated and funded by the WATC to host this major travel trade event.
- Extensive consumer and trade research on the outbound tourism potential of the United Arab Emirates and South Africa markets was presented to industry in February 2002 highlighting both markets as potentially lucrative for WA.

## **NATIONAL**

- As part of the State's Crisis Marketing initiatives the WATC launched the \$100 Million Holiday Sale campaign. The focus of the campaign was the production and distribution of a 72-page statewide catalogue promoting WA holiday getaways for West Australians. The catalogue launch was supported by an integrated advertising campaign in the intrastate market comprising press, radio, television and billboard advertising.
- A cooperative advertising campaign involving print and television advertising was launched in Sydney, Melbourne and Adelaide mid-November promoting value priced consumer packages.
- A series of five television commercials specifically targeting the intrastate market were developed in consultation with the Regional Tourism Associations and launched in January 2002 as part of the State's new Brand WA marketing creative. The suite of five commercials has been the cornerstone of all Intrastate campaigns.
- Three television commercials were also produced for use in the interstate market featuring unique WA nature based holiday experiences. These commercials were aired in a two-week campaign in April/May 2002 in Brisbane, Sydney, Melbourne and Adelaide. Both the interstate and intrastate commercials adopted the positioning line 'Be touched by nature'.
- From the Government's \$5 million Crisis Funding allocation, a pool of \$500,000 was made available for new marketing and promotional activities through the State's 10 Regional Tourism Associations. Another \$50,000 was allocated for similar initiatives in the metropolitan area. The Kimberley region, hardest hit as a result of lost air access, received an additional \$250,000 for marketing and promotion.
- Qantas provided significant support to Western Australia after the collapse of Ansett, by increasing air capacity on interstate and regional routes. Virgin Blue began flying to Perth in December 2001 with daily services from Melbourne and Adelaide. Sydney-Perth daily services commenced on 18 June 2002. The arrival of Virgin Blue marked two years of strategic negotiation by the WATC.
- The State Government's new WA Regional and Rural Marketing Assistance Scheme (WARRMAS), which makes available \$2 million over four years to regional Western Australia for marketing initiatives in accordance with established guidelines, was managed by the WATC. A total of \$386,500 was allocated in 2001-2002.
- A total of 28 travel agents in Queensland, NSW, Victoria, ACT, and South Australia – all specialising in Western Australia - have been appointed as Booking Centres in the WA Tourism Network. Consumer inquiries received through the WATC's Virtual Call Centre will be redirected to these agents. Trade familiarisation, educational seminars and special promotions will be arranged to develop their product knowledge.
- The WATC secured a deal with Channel 9's award winning lifestyle program, "Postcards WA", to produce a series of 'nature' based stories for inclusion in the show over 12 months. The stories feature nature-based packages developed by the WATC, nature-based destinations and nature tourism product provided by operators. Under the terms of the arrangement, Postcards WA is also aired weekly on WIN TV, and Channel 9.

## **GENERAL MARKETING**

- **Online Marketing:** An innovative web-based competition, VideoclipsWA.com, was launched in May 2002 encouraging internet users and tourists to create a 30-second video clip of their WA holiday. The best monthly entry wins a digital video camera and the grand prize for the best overall entry will receive state-of-the-art video equipment and a travel prize.
- **Value of Tourism Campaign:** An 11-month campaign to educate Western Australians on the value of tourism was launched by Tourism Minister Clive Brown at Lockridge Senior High School in May 2002. The campaign targets schools and the general public on the role of the tourism industry as a major economic driver for the WA economy.
- **Corporate Website:** The corporate website [www.tourism.wa.gov.au](http://www.tourism.wa.gov.au) was launched in August 2001 as a resource for consumers, media, government and the tourism industry on the role, functions and activities of the Western Australian Tourism Commission.

## **PLANS FOR THE FUTURE**

### **Partnership 21**

The newly appointed Board of the WATC initiated a major review of Partnership 21. It is likely that Partnership 21 will continue to be the vehicle to drive change and improve effectiveness of strategies for the WA Tourism Industry. The 5 year plan, once reviewed, will provide the industry with a clear direction and sound platform from which to go forward. It is proposed that the revised plan will have greater relevancy for industry operators, sectors and tourism related stakeholders.

### **Western Hemisphere**

- The WATC will continue to develop marketing strategies aimed at broadening consumer and trade awareness of Western Australia in the State's core markets of the United Kingdom and Germany. The WATC is reviewing consumer strategies for Brand campaigns in the United Kingdom with the aim of leveraging major partner activity including the Australian Tourist Commission's Brand Australia campaign. The UK Brand campaign remains the WATC's major advertising activity in-market for 2002-2003.
- Adopt an aggressive PR strategy to underpin cooperative marketing activities with strategic partners in the new and emerging markets of Italy, the Netherlands, Ireland, Switzerland, Scandinavia and France.
- Market development strategies focusing on the trade will continue in the emerging markets of South Africa, the Arab Gulf and New Zealand.
- The WATC will continue to develop on-line marketing opportunities where possible to facilitate cost effective marketing campaigns for the Commission and industry.
- The Western Hemisphere marketing team will work to strengthen relationships with strategic partners such as the ATC, Qantas, Singapore Airlines, Emirates and influential wholesalers to develop opportunities for joint marketing campaigns.
- Work in collaboration with the ATC to research and identify niche markets and core target segments to assist with planning cooperative brand and tactical marketing campaigns.
- Identify and develop cross promotional opportunities with other government agencies and non-traditional marketing partners in areas such as education and cultural tourism.

### **Eastern Hemisphere**

- Brand WA will remain the cornerstone of campaigns in the core markets in Singapore, Malaysia and Japan and the emerging Hong Kong and Chinese markets.
- An important ingredient in all campaigns will be to reinforce Western Australia's positioning as a leading nature-based tourism destination.

- Strong relationships will continue to be developed and redefined with key regional airlines including Qantas, Singapore Airlines, Malaysia Airlines and Cathay Pacific.
- Marketing campaigns have been well supported with funding contributions from industry partners in 2001-2002. The WATC will aim to deliver a sustainable level of growth in this area in 2002-2003.
- Increased promotion of Western Australia using the websites, [www.westernaustralia.net](http://www.westernaustralia.net) and [www.westernaustralia.or.jp](http://www.westernaustralia.or.jp) (the WATC's Japanese language site).
- Increase media exposure for the State by hosting influential journalists and securing the talents of celebrities as hosts or storytellers.
- Introduce more efficient and effective methods to increase the amount of Chinese language material available for distribution in North Asia.
- Ensure a strong WA tourism industry presence at the Japan Australia Mission 2003.

### **Cross Hemisphere Marketing**

- Rising media costs and volatile foreign exchange rates mean the WATC must continue its aggressive and targeted media campaigns in 2002-2003 to ensure brand awareness remains high.
- The WATC will maintain its high profile at international consumer and trade shows and continue to work with industry to ensure appropriate Western Australian product is represented under the Brand WA banner.
- The WATC will review the Market Performance Assessment Formula during 2002-2003 to ensure the most up-to-date and effective marketing model and forecasting methodology is used.
- Increased emphasis will be given to developing a sophisticated and informative consumer website.
- The WATC will actively pursue negotiations with international airlines to ensure that adequate air capacity levels are prioritised and where possible, increased.

### **Australia**

Key activities to be undertaken by Australia Marketing include:

- Continuing negotiations with domestic airlines to ensure that adequate air capacity levels are maintained and, where possible, increased. Australia Marketing will also present joint marketing initiatives to domestic airlines to consolidate our relationship.
- In 2002/2003 Australia Marketing will formalise partnerships with strategic industry partners and wholesalers. It is envisaged that these new alliances will generate increased incremental business for the State through targeted co-operative tactical advertising.
- Australia Marketing, in conjunction with the Regional Tourism Associations, will drive Brand WA campaigns delivering and consolidating the "holiday at home" message in the intrastate market.
- The 2002-2003 Winter Breaks campaign will be rejuvenated with a new focus on experiences. The Southern Forests will be featured heavily in this campaign.
- Trade advertising, trade and media familiarisation opportunities will continue to be sourced and developed to ensure travel agents and media are aware of WA as a premier holiday destination. The media exposure will be enhanced by a substantial upgrade in the quality and selection of photographic, digital and video material available through the image library.
- Support for the WA Tourism Network, country Visitor Centres and a continued emphasis on developing new marketing initiatives for regional Western Australia through funding programs such as WA Rural and Regional Marketing Assistance Scheme will be a priority for Australia Marketing.

- In 2002/2003 niche product development and distribution, in particular, wine and food tourism, caravanning and camping sector, self drive market and cultural tourism will emerge as key drivers of business into Western Australia.

## **RESEARCH AND ANALYSIS**

### **MAJOR ACHIEVEMENTS IN 2001-2002**

Customised Enquiry Service - Research data, analysis, library resources and market research services were provided on a consultancy basis for clients, including existing operators, consultants, tourism researchers and people considering entry into the tourism industry.

Online distribution of research - The Research Brief on Tourism publication was made available to industry on the WATC corporate website. An interactive database-driven application (Tourism Research DataCase) was also launched to provide an alternative means of obtaining research at a State and regional level.

Publications - 28 research publications were maintained throughout the year, providing industry with access to a broad range of valuable destination and tourism market information. Current publications include the Research Brief on Tourism, Local Government Area Reviews, Regional Tourism Research Reviews and *Touristics* magazine.

National Visitor Survey (NVS) and International Visitor Survey (IVS) - The Bureau of Tourism Research (BTR) conducts visitor surveys and publishes national and state results. The WATC developed and published a State Review and Regional Research Reviews that detail BTR domestic tourism information.

### **In-house Research Projects**

The WATC conducted several in-house research projects on public liability, product and infrastructure and the impact of land tax valuation.

- Public Liability Insurance: 116 adventure tourism operators took part in a survey to determine the impact on increasing premiums on their business. Information was collected on previous and existing insurance policies and their response to the increasing costs. The final report was widely distributed.
- Product and Infrastructure Gap Review: Qualitative research was conducted with 25 key operators to understand product or infrastructure gaps. The results enabled the WATC to further develop its strategic and regional plans.
- Land Tax Valuation Research: Operators in Busselton were canvassed to determine the effect and impact of significant increases in land tax on caravan park and resort operators within the Shire of Busselton.

### **Commissioned Research Projects**

The WATC commissioned several research projects, including:

- Tourism Activity Barometer. This was established to deliver an instant outlook of the State's tourism industry trends and future patterns.
- Brand WA Campaign Evaluations (UK, Singapore, Malaysia). Commissioned research to monitor the effectiveness of the Brand WA campaigns in selected key markets.
- WATC also contributed funding to several ATC commissioned research projects, including New Zealand Product Experience, UK Barriers and Japan Product Experience research.

**Cooperative Research** - The WATC contributed \$100,000 towards the Cooperative Research Centre (CRC) for Sustainable Tourism for WATC priority projects to be conducted and completed by participating universities by 2003. The WATC also cooperated with Edith Cowan University on a visitor satisfaction study. Cooperative efforts ensure that a greater amount and variety of tourism information is available.



The WATC, with the help of CALM and WA universities, began compiling a database of all tourism related projects in WA. The database should increase communication and cooperation, improve knowledge and dissemination of Western Australian tourism information, better identify tourism experts in specific areas and avoid duplication of research.

**Economic evaluation of events** - Working with economists, market research agencies, the Department of Treasury and Finance and Australian academics to implement a methodology to calculate the economic impact of events. This will ensure wider acceptance of the results and greater comparability between events within Western Australia.

**Tourism industry education of market intelligence** - A third module for the program of industry education seminars (known as *Tourism Advantage*) was developed – “*Research Made Simple, the next step*”. This module was developed as an application of regional research information and focused on applying information to business decision making.

**Market Performance Assessment Formula (MPAF)** - Ranked the top 21 international markets for WA and commenced a review to improve the current forecasting model. This has involved building relationships and working with various stakeholders, including Australian Tourism Commission (ATC), BTR, University of Western Australia, Tourism Queensland and the Canadian Tourism Commission.

**Monitoring of Aviation News** - A daily monitoring system was established that provides daily news on global and local aviation issues.

## PLANS FOR THE FUTURE

**Review of Winter Breaks** - The Winter Breaks campaign has been running for 12 years with no major review. The WATC has started qualitative research among advertisers to determine the need for change. Consumer research is also being considered.

**GIS (Geographic Information System)** - Reviewing potential uses of GIS within WATC.

**Niche markets** - The backpacker market is the first niche market to be analysed to determine if travellers' needs are being met. Other markets to be assessed include wine tourism, seniors, dive, arts/culture, caravanning.

**Tourism Health Index** - To review all major existing data sources and determine if a Tourism Health Index can be developed to provide a fast and accessible summary.

## KEY OUTPUT AREA 1.2 - EVENT TOURISM

### Objective

The Commission develops, attracts, supports and where appropriate manages events that are capable of generating substantial economic benefit, visitor expenditure and can cost-effectively market Western Australia nationally and internationally.

The main functions of EventsCorp, the event tourism division of the Western Australian Tourism Commission, include:

- Identifying, targeting and attracting suitable events of international significance that can be hosted in WA and then bidding for these events;
- Developing contracts with event proponents to secure events for the State.
- Establishing a calendar of regular events intended to boost the State's image as a vibrant tourist destination and generate significant economic impact;
- Ensuring that secured events are conducted according to contract or directly managed;
- Working to gain maximum media exposure to promote WA via events; and
- Working with tour wholesalers and specialist travel operators to generate tour packages and add value to events by generating incremental tourism business.

### MAJOR ACHIEVEMENTS IN 2001-2002

EventsCorp supported events generated nearly \$47million in economic impact in 2001-2002 and also achieved the following:

- A second Johnnie Walker Classic to be staged in February 2003 was secured. This is part of its five-year contract with IMG to deliver an international golf event. The Johnnie Walker Classic has never been held in the same location for two consecutive years before and is expected to generate \$9 million for the state as well as extensive international and national television in WA's target tourism markets.
- A significant group in the Rugby World Cup for 2003 was also secured and includes five matches in eight days. The group features South Africa and England (both target tourism markets for WA) who will play in a blockbuster match on 18 October 2003. Details of the group were announced by the Premier in May 2002. The event is expected to generate \$14.1 million for Western Australia.
- Week 46 on the PGA Tour golf calendar was secured by EventsCorp under contract with PGA Tour Pty Ltd which means that the State owns this important week on the golfing calendar. This has been deferred to November 2003 when the Perth International will be played.
- EventsCorp supported six regional events in 2001-2002 that generated significant visitor expenditure and profile for the regions.
- EventsCorp signed contracts to support several other events including the Lacrosse World Championships in July 2002 and the Women's Hockey World Cup in December 2002.
- Rally Australia secured Telstra as naming rights sponsor for a further three years.
- EventsCorp secured the Hyundai Hopman Cup for 2003 and 2004 with new event owners, the International Tennis Federation.

In August 2001, the Rugby Union test match between South Africa and Australia was very successful because of the tourism product unit's activities. Direct flights from South Africa were filled and the event generated 47 per cent more in visitor expenditure than the previous test match between the two countries.

The WATC welcomed the City of Subiaco's decision to approve the use of Subiaco Oval for the rugby test matches at the oval until 2005. An estimated \$25 million will be generated for the WA economy by the five tests between 2001 and 2005.

The Event Tourism Product Development output is aimed at adding value to events hosted in Western Australia by effectively developing their tourism potential.

Note: One event was terminated in the 2001/02 financial year – the Champions Cup, a cricket event owned and managed by the Western Australian Cricket Association. The Australian Cricket Board could not guarantee the continued sanctioning required by the WATC under its contract with the WACA and both parties decided the event was not able to deliver its required performance indicators.

#### **New Events**

<b>Event</b>	<b>Est. Economic Impact</b>	<b>International Television</b>
ARU Five-test programme	\$25.35 million	Yes
Hyundai Hopman Cup (2003 – 2004)	\$11.3 million	Yes
Red Bull Dirt Pipe	\$0.75 million	Yes
FIH Women's World Cup Hockey	\$7.0 million	Yes
<b>TOTAL</b>	<b>\$43.4 million</b>	

#### **Regular Events**

<b>Event</b>	<b>Economic Impact</b>	<b>International Television</b>
Telstra Rally Australia (international television contract extended to 2010)	\$19.9 million per year	Yes
Perth International (contract managed as Johnnie Walker Classic)	\$5.87 million	Yes
Rugby Union test match (contract secured and two matches in the one financial year managed)	\$9.57 million	Yes
Salomon Margaret River Masters (funded through both Regional Events Scheme and EventsCorp)	\$0.75 million	Yes
Champions Cup (contract terminated due to lack of Australian Cricket Board sanctioning)	-	-
<b>TOTAL</b>	<b>\$36.09 million</b>	

#### **Events Hosted in 2001/2002**

<b>Event</b>	<b>Economic Impact</b>	<b>Media Impact (international and national media)</b>
Rugby Union Test Match Australia versus South Africa (August 2001)	\$9.57 million	High
Telstra Rally Australia	\$19.9 million	High
Goju Kai Karate Championships	\$1.0 million (est)	Nil
Hyundai Hopman Cup (January 2002)	\$5.67 million	High
Johnnie Walker Classic (January 2002)	\$5.87million	Very high
Salomon Margaret River Masters (April 2002)	\$0.75 million (est)	Low
Rugby Union match Australia versus NZ Maori	No analysis done	Medium
<b>TOTAL</b>	<b>\$42.76 million</b>	

### Regional Events

Event	Location	Region
Avon Descent	Avon Valley	Heartlands
Margaret River Wine Festival	Margaret River region	South West
Mandurah Crab Fest	Mandurah	Peel
Respect Yourself Forest Rally	Busselton region	South West
Salomon Masters	Margaret River	South West
*Steve Fossett Balloon	Northam	Heartlands

\* Note: Funding provided from Crisis funding but contract managed through Regional Event Scheme and EventsCorp.

### PLANS FOR THE FUTURE

EventsCorp will seek ways of leveraging events to maximise their economic impact and potential to cluster visitor numbers in association with other tourism activities by working cooperatively with all sectors of the tourism industry. The economic impact for 2002-2003 is forecast to reach \$51.67 million.

2003 will be a big year for the 'Best on Earth in Perth' event calendar with the Rugby World Cup, the UCI World BMX Championships and the second Johnnie Walker Classic. The latter part of 2003 will feature Telstra Rally Australia and the Perth International golf event in November.

The World Lacrosse Championships and the FIA Women's Hockey World Cup, both in the latter half of 2002 will generate a combined \$16.5 million in economic impact, while the Hockey event will generate significant international television.

EventsCorp will continue to leverage television exposure of events to create awareness of Western Australia as a tourism destination.

EventsCorp will continue its significant leap forward as demonstrated with the Rugby Union test match in 2001 in the development of tourism product around events by further developing relationships with the specialist sports travel operators, particularly with the opportunity offered by the 2003 Rugby World Cup.

## KEY OUTPUT AREA 1.3 – CONVENTION AND INCENTIVE TRAVEL

### Objective

The Commission has contracted the Perth Convention Bureau (PCB) to identify, develop and secure new national and international meetings.

### MAJOR ACHIEVEMENTS IN 2001-2002

The first regional Meetings Incentive Conventions and Exhibitions (MICE) unit was established in the south west and MICE marketing programs were developed in the great southern and goldfields regions.

Construction of the Perth Convention and Exhibition Centre is a major milestone for the Western Australian MICE industry. Tentative bookings for the convention centre are estimated to be worth \$44 million to the WA economy. Business under development is estimated to be worth another \$144 million. The Convention Centre opens up a new market previously unavailable to Western Australia by providing a venue with facilities for larger convention groups.

The Perth Convention Bureau received international recognition for its awards and scholarship program and won international congress and convention association “best marketing award” for 2001.

Following the events of September 11 and the collapse of Ansett, the bureau developed an emergency action plan to:

- a) minimise the immediate impact on the MICE industry in Western Australia
- b) maintain confidence in Western Australia as a convention destination
- c) review and revise where necessary all Bureau marketing activities.

Within 24 hours of the grounding of Ansett, the bureau had made contact with the organisers of the 68 conferences scheduled to take place in the three months to the end of December to assess the current status of the event and to offer assistance and advice to avoid cancellation. In addition over 600 individual delegate travel plans were collated and forwarded to Qantas to assist in securing priority delegate travel as new capacity was added to the system.

The State's tourism industry recovery from the events of September 11 and the Ansett Collapse can be attributed in part to the Perth Convention Bureau's response strategies in conjunction with industry. Crisis funding was used to extend meeting business into regional Western Australia through a national direct mail campaign. Regional incentive itineraries were promoted through a promotional brochure to buyers in the UK, Europe and South Africa.

The Bureau's 2001 scholarship attracted 18 submissions. Since its launch three years ago, the program has secured 11 conferences for WA representing an estimated 7,570 delegates and nearly \$20 million in direct delegate expenditure. This year's winner was Sharon Grassick of the Senses Foundation who works with deaf blind people in Western Australia. Sharon will use the \$10,000 scholarship to travel overseas and bid for Perth to host the 14<sup>th</sup> Deafblind International World Conference in 2007.

### PLANS FOR THE FUTURE

Priorities for the next 12 months will be to drive a major government and industry co-operative destination marketing campaign targeting incremental business and to further develop the successful convention ambassador program.

A program is underway to increase yield from the Asian incentive sector through co-operative program development and education and will be continued in 2002-2003.

PCB will also conduct a government agency education program to stimulate more government hosted conferences.

## OUTCOME 2.0 – AN ENHANCED TOURIST INDUSTRY, INFRASTRUCTURE AND PRODUCT BASE

### Objective

Investment is promoted, fostered and facilitated in the development of new tourist infrastructure and products, and existing tourist facilities and services in Western Australia are improved.

The WATC:

- Provides strategic market intelligence to the tourism industry;
- Identifies new infrastructure requirements for the tourism industry and ensures their development;
- Works with other public sector authorities and agencies to accelerate major tourism developments, ensures that public infrastructure, facilities and services are developed and Crown land is released for tourism purposes;
- Assists the private sector to increase the number and quality of tourist facilities, services and products;
- Develops new products to suit tourism needs; and
- Fosters industry professionalism, education and quality control.

### KEY OUTPUT AREA 2.1 - INDUSTRY DEVELOPMENT

#### MAJOR ACHIEVEMENTS IN 2001-2002

##### INDUSTRY DEVELOPMENT

Industry Development is an area that remains a high priority for the WATC to ensure supply meets demand generated through marketing. The Commission's role is to ensure appropriate infrastructure and tourism product are development to meet a wide range of visitor needs and price expectations. It has been a year of considerable achievement however the WATC needs to continue to work on prioritising and resource allocation.

The Statewide Tourism Development Plan 2002-2006 was completed, highlighting the infrastructure and product development essential for the accelerated development of Western Australia's tourism industry.

The WATC provided specialist advice on 1,500 product/infrastructure projects in the 11 tourism regions of Western Australia.

The National Tourism Accreditation Program (NTAP) conducted in association with Tourism Council Western Australia (TCWA) accredited 500 businesses for the first time.

The WATC also endorses and continues to support the WA Tourism Awards as a valuable avenue of recognising excellence within the industry and promoting industry standards and accreditation.

##### **Sustainable Product Development**

Five new environmental tourism packages were developed and launched by the newly created Sustainable Product Development unit.

The Unit, in conjunction with the Western Australian Indigenous Tourism Operators Committee (WAITOC) and the Department of Industry and Technology, produced a CD featuring Indigenous Tourism in Western Australia. The CD was distributed to international travel trade representatives attending the 2002 Australian Tourism Exchange in Brisbane.

The 7th annual Forum Advocating Cultural and Eco Tourism (FACET) Conference was held in Albany in July 2001. The conference focused on the potential of rural tourism within WA and was sponsored by the WATC.

In May 2002, the FACET Conference: WA Tourism: In Touch with Sustainable Future 2002 Conference and Trade Expo 2002 was held at the Aquarium of Western Australia (AQWA) in Hillarys. The conference, sponsored by the WATC, was an officially recognized event for the International Year of Ecotourism 2002, and attracted more than 150 delegates.

## **PLANS FOR THE FUTURE**

### **INDUSTRY DEVELOPMENT**

The Industry Development area provides specialist services to ensure all stakeholders are working towards a sustainable future for the State's tourism industry. The WATC will focus on providing leadership to increase environmental awareness, identify the potential impacts from tourism and designing environmentally sustainable practices that are adopted in day to day tourism operations. The WATC will assist communities to identify, package and promote their own unique tourism products and experiences so that communities are able to optimise the opportunities available from domestic and international tourism.

The WATC will work with local operators to develop and implement a Tourism Precinct Strategy for Fremantle and Northbridge, enhance the National Tourism Accreditation Program to include customer service standards and processes and improve risk management components.

Several issues remain outstanding and will need to be tackled using the full resources of State and Federal governments and industry representatives. These issues include finding a solution to rising public liability insurance cost and determining and resolving access problems on pastoral leases. The provision of a wide range of product to accommodate the full spectrum of accommodation options according to price demands will also be pursued.

#### **Sustainable Product Development**

Priority projects for this unit over the next financial year will include the further development of Wine and Food Tourism product, the continued planning for new Indigenous tourism products and the creation of an Attraction-Based Tourism Development Strategy Model in Purnululu National Park.

The Unit is also developing a Green Module 'addition' to the National Tourism Accreditation Program operated by Tourism Council WA.

Additional Environmental Tourism Packages will be developed and launched throughout Western Australia.

### **KEY OUTPUT AREA 2.1 – VISITOR SERVICING**

#### **Objective**

This output group ensures the provision of destination and product information and booking facilities throughout Western Australia to increase the likelihood of visitors travelling in the State and to encourage them to increase the length of their stay.

The WATC coordinates a State-wide visitor servicing network and operates a central "call centre" and retail information outlet in Perth.

This output group is made up of two key areas:

- 1.3.1 WA Tourism Network
- 1.3.2 WA Visitor Centre

#### **WA TOURISM NETWORK**

#### **Objective**

The WA Tourism Network has two major objectives:

1. Provide a structural framework for visitor servicing to operate efficiently and effectively throughout Western Australia
2. Provide a framework for information and bookings to be made using modern technology through the telecommunications system and the Internet.

The WA Tourism Network encourages visitors to extend their stay in Western Australia by ensuring booking facilities and destination and product information is easily available and accessible.

This involves the coordination of a Statewide visitor servicing network and the operation of a "Virtual Call Centre". The Virtual Call Centre diverts incoming phone inquiries to the relevant Network Visitor Centre allowing customers to be serviced by local experts.

## **MAJOR ACHIEVEMENTS IN 2001-2002**

The Virtual Call Centre received and distributed more than 100,000 calls with recognition accuracy in excess of 94 per cent.

The WA Tourism Network incorporates 32 Visitor Centres in Western Australia, with at least one in each tourism region, and another 26 booking centres (travel agents) in the other Australian States.

Funding totalling \$285,000 was allocated to 24 projects through the Country Visitor Centre Sustainability Enhancement Scheme (CVCSES).

The WA Tourism Network successfully exceeded requirements for product upload to the Australian Tourism Data Warehouse (ATDW) which supplies product information for the Australian Tourism Commission Web Site [www.australia.com](http://www.australia.com).

Officers from the WATC provided WA Tourism Network training to Visitor Centres to maximise new sales and booking opportunities.

The WATC's Virtual Call Centre won a prestigious Australian Information Industry Association award in the category of "Implementation Telecommunications and Telecommunications Networking". The Award was presented for the WATC's application of voice recognition technology.

## **PLANS FOR THE FUTURE**

The WA Tourism Network will continue to work to strengthen the quantity and quality of Visitor Centres in the WA Tourism Network.

It will also continue its focus on strengthening industry participation in Local Visitor Centres, Regional Tourism Associations and the WA Tourism Network as part of the sustainable Visitor Servicing framework

Other priorities include enhanced product and destination information distribution and data exchange through partnerships with the Australian Tourist Commission, Australian Tourism Data Warehouse, Regional Tourism Associations and Visitor Centres

Enhance Visitor Centre Viability in WA through the second year of funding for the CVCSES program and revenue raised from WA Tourism Network membership.



## WESTERN AUSTRALIAN VISITOR CENTRE

### Objective

This output group ensures the provision of destination and product information and booking facilities throughout Western Australia to increase the likelihood of visitors travelling in the State and to encourage them to increase the length of their stay.

### MAJOR ACHIEVEMENTS IN 2001-2002

The Western Australian Visitor Centre successfully handled 418,303 customer contacts in the year 2001/02. Of these 292,653 were walk-in visitors, an increase of 4 per cent on the previous year

The centre responded to 7088 e-mail inquiries and, on average, 2000 postage brochure requests each month.

The Western Australian Call Centre serviced 118,562 national telephone inquiries.

The Western Australian Visitor Centre attracted 120 new members between the launch in January 2002 and June 2002.

### PLANS FOR THE FUTURE

A priority for 2002-2003 will be improve sales and services through the Centre by the further alignment of front and back office systems with Reservation Systems and the product database to improve client service efficiency and increase sales.

The introduction of Ticketmaster7 and the Art Gallery of Western Australia ticketing will increase the profile of the Centre with Perth residents and encourage a broader customer base.

The centre will also aim to further develop partnerships with educational facilities to increase the tourism potential of the overseas student market and increase its sales targets for industry partners, particularly WA Tourism Network members.

### OUTPUT/OUTCOMES

#### Performance Review

	Gross Operating Cost (\$'000)		Revenue (\$'000)		Net Operating Cost (\$'000)		FTEs	
	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002
National Marketing	6,097	<b>8,721</b>	616	<b>1,236</b>	5,481	<b>7,485</b>	18.9	<b>24.2</b>
International Marketing	10,379	<b>12,220</b>	2,917	<b>2,464</b>	7,462	<b>9,756</b>	32.4	<b>36.1</b>
Event Tourism	11,710	<b>14,947</b>	4,492	<b>4,825</b>	7,218	<b>10,122</b>	13.5	<b>18.1</b>
Convention and Incentive Travel	1,080	<b>1,064</b>	49	<b>6</b>	1,031	<b>1,058</b>	0.7	<b>0.8</b>
Strategic Marketing Intelligence	745	<b>1,032</b>	38	<b>18</b>	707	<b>1,014</b>	5.4	<b>6</b>
Tourism Planning and Infrastructure	2,265	<b>861</b>	55	<b>35</b>	2,210	<b>926</b>	5.4	<b>6</b>
Product and Industry Development	3,627	<b>2,388</b>	156	<b>162</b>	3,471	<b>2,226</b>	18.9	<b>21.1</b>
Information Distribution and Retail Booking Service	3,893	<b>5,056</b>	1,012	<b>908</b>	2,881	<b>4,148</b>	37.3	<b>41.6</b>

## Output Performance

	Quantity	Quality	Timeliness	Cost
<b>National Marketing</b>				
<b>Strategies aimed at raising consumer awareness of WA as a desirable tourist destination</b>				
	Number of interstate consumer awareness strategies	<b>Interstate consumer awareness</b> (i) Perceived knowledge : percentage of people aware of WA as a holiday destination for "a lot" category (ii) Propensity to consider: Percentage of people with a preference to travel to WA for 3 nights or more (iii) Level of advertising awareness of WA as a holiday destination	Delivered according to Operational Plan timeframes	Cost per interstate consumer awareness strategies
Actual	1	i) 4.8%, ii) 15.8%, iii) 9.4%	100%	\$5,196,430
Target	1	(i) 6.0% (ii) 16% (iii) 10%	100%	\$2,748,138
	Number of intrastate consumer awareness strategies	<b>Intrastate consumer awareness</b> (i) Level of advertising awareness of WA as a holiday destination (ii) % of Western Australians preferring to travel within WA for 3 nights or more	Delivered according to Operational Plan timeframes	Cost of intrastate consumer awareness strategies
Actual	1	i) 31.23%, ii) 47.03%	100%	\$1,299,108
Target	1	(i) 35% (ii) 36%	100%	\$687,034
	Number of Regional Tourism Authority contracts managed	Proportion of regional tourism authority contract conditions met	Delivered according to Operational Plan timeframes	Cost per Regional Tourism Association contract managed
Actual	10	100%	100%	\$52,153
Target	10	100%	100%	\$63,323
<b>Strategies aimed at raising trade awareness of WA as a desirable tourist destination</b>				
	Number of trade awareness strategies	<b>Trade awareness</b> (i) Knowledge levels of WA product (ii) WATC's contribution to current knowledge levels (rated significant or above) (iii) Likelihood of recommending WA as a holiday destination compared to previous 12 months	Delivered according to Operational Plan timeframes	Cost of trade awareness strategies
Actual	1	i) 48%, ii) 71%, iii) 54%	100%	\$831,581
Target	1	(i) 60% (ii) 80% (iii) 70%	100%	\$751,335
<b>Strategies aimed at incremental business in cooperation with industry</b>				
	Number of incremental business strategies	Visitor expenditure generated by tactical campaigns	Delivered according to Operational Plan timeframes	Cost of incremental business strategies
Actual	1	\$5,467,544	100%	\$627,441
Target	1	\$4,886,000	100%	\$622,994
<b>Strategies aimed at increasing tourism product and destination information distribution</b>				
	Number of information enquiries serviced	Overall level of customer satisfaction with information accessed	Delivered according to Operational Plan timeframes	Cost per enquiry serviced
Actual	45,000	90%	100%	\$4.76
Target	45,000	80%	100%	\$4.68
<b>Strategies aimed at increasing airline access to WA</b>				
	Number of increased air transport seats into WA	Proportion of targeted air transport seats into WA	Delivered according to Operational Plan timeframes	Total cost of activity
Actual	(394,086)	Reduction due to demise of Ansett	100%	\$18,718
Target	3,000	100%	100%	\$9.87 (Cost per seat targeted)
<b>Policy advice to Government</b>				
	Number of advices provided to Government	Proportion of first drafts accepted	Proportion of advices provided within agreed timeframes	Cost per policy advice
Actual	316	96%	94%	\$38
Target	100	90%	95%	\$96

	Quantity	Quality	Timeliness	Cost
<b>International Marketing</b>				
	<b>Strategies aimed at raising consumer awareness of WA as a desirable tourist destination</b>			
	Number of consumer awareness strategies	(i) Perceived knowledge : percentage of people aware of WA as a holiday destination (for category "a lot") (ii) Propensity to consider: Percentage of people who will consider a trip to WA (for category "definitely consider")	Delivered according to Operational Plan timeframes	Cost of consumer awareness strategies
Actual	1	i) S'pore 4%, UK 6%, Japan n/a*, Malaysia 7% ii) S'pore 15%, UK 27%, Japan n/a*, Malaysia 16%	100%	\$6,544,608
Target	1	i) S'pore 8%, UK 5%, Japan 3%, Malaysia 3% ii) S'pore 15%, UK 34%, Japan 2%, Malaysia 10%	100%	\$4,160,136

	<b>Strategies aimed at raising trade awareness of WA as a desirable tourist destination</b>			
	Number of trade awareness strategies	(i) Knowledge levels of WA product (using rating of 8/10 and above) (ii) WATC's contribution to current knowledge levels (rated significant and very significant) (iii) Likelihood of recommending WA as a holiday destination (using rating more likely now)	Delivered according to Operational Plan timeframes	Cost of trade awareness strategies
Actual	1	i) 72%, ii) 94%, iii) 55%	100%	\$3,090,768
Target	1	(i) 65% (ii) 65% (iii) 50%	100%	\$2,354,223

	<b>Strategies aimed at incremental business in cooperation with industry</b>			
	Number of incremental business strategies	The extent to which visitor expenditure is generated by incremental tourism activities	Delivered according to Operational Plan timeframes	Cost of incremental business strategies
Actual	1	\$6.161 million **	100%	\$1,444,645
Target	1	\$13.6 million	100%	\$1,829,840

	<b>Strategies aimed at increasing tourism product and destination information distribution</b>			
	Number of information enquiries serviced	Overall level of industry satisfaction with tourism product and destination information distribution	Delivered according to Operational Plan timeframes	Cost per enquiry serviced
Actual	20,597	91%	100%	\$50.48
Target	21,600	80%	100%	\$39.92

	<b>Strategies aimed at increasing international airline access to WA</b>			
	Number of increased air transport seats into WA	Proportion of targeted air transport seats into Western Australia obtained	Meetings held as per Operational Plan timeframes	Total Cost of activity
Actual	(90,870)	Reduction due to global downturn in air travel following September 11.	More meetings than targeted were held following Sept 11	\$12,502
Target	5,000	100%	100%	\$2.25 (Cost per seat targeted)

	<b>Local industry education of international markets</b>			
	Number of markets reviewed against criteria	Accuracy of reviews	Delivered according to Operational Plan timeframes	Cost per market review
Actual	21	100%	100%	\$900
Target	22	100%	100%	\$813
	Number of educational seminars conducted	Participant satisfaction with educational seminars conducted	Delivered according to Operational Plan timeframes	Cost per educational seminar conducted
Actual	3	Not measured	100%	\$18,899
Target	3	80%	100%	\$17,883

	Policy advice to Government			
	Number of advices provided to Government	Proportion of first drafts accepted	Proportion of advices provided within agreed timeframes	Cost per policy advice
Actual	100	96%	94%	\$119
Target	30	90%	95%	\$375

Notes:

\* Due to the high cost of advertising in Japan, the WATC chose to participate in cooperative tactical advertising with the ATC. The ATC did not measure the percentage of people in Japan who are of WA as holiday destination north their propensity to consider a trip to WA.

\*\* Please note that the instability of the tourism industry during the year has impacted on the availability of reliable visitor expenditure figures at the time of publishing this report. The figure provided is incomplete.

	Quantity	Quality	Timeliness	Cost
<b>Event Tourism</b>				
	<b>Strategies aimed at attracting events to Western Australia</b>			
	Number of bids submitted for events	Estimated economic impact of successful bids for events	Bids made for events according to Operational Plan timeframes	Cost per bid submitted
Actual	4	\$44.4 million	100%	\$194,408
Target	4	\$30 million	100%	\$108,984
	<b>Strategies aimed at raising consumer awareness of WA as a desirable tourist destination</b>			
	Number of consumer awareness strategies (equates to the number of events hosted)	Value (\$) of television media coverage in selected tourism markets for events hosted.	Proportion of consumer awareness strategies implemented in conjunction with events hosted	Cost per consumer awareness strategy for events hosted
Actual	4	\$7.128 million	100%	\$50,002
Target	5	\$6 million	100%	\$119,037
	<b>Strategies aimed at generating incremental business</b>			
	Number of strategies for incremental business through hosted events	The value of economic impact generated by incremental tourism activity ie. Events hosted	The proportion of events held on time	Cost per incremental business strategy
Actual	6	\$42.03 million	100%	\$2,306,690
Target	6	\$30.0 million	100%	\$2,087,889
	<b>Strategies aimed at event tourism product development</b>			
	Number of event products developed	Value of visitor expenditure generated by event products	Proportion of event productions developed on time	Cost per event product developed
Actual	35	\$1,500,000	100%	\$3,113
Target	42	\$1,700,000	100%	\$5,290
	<b>Policy Advice to Government</b>			
	Number of advices provided to Government	Proportion of first drafts accepted	Proportion of advices provided within agreed timeframes	Cost per advice provided
Actual	207	98%	95%	\$97
Target	100	90%	95%	\$197

	Quantity	Quality	Timeliness	Cost
<b>Convention and Incentive Travel</b>				
	<b>Strategies aimed at attracting meeting, incentive travel, conventions and exhibitions to WA</b>			
	Number of bids for conventions	Projected visitor expenditure from successful bids for conventions	Bids for conventions made according to Operational Plan timeframe	Cost per convention bid
Actual	213	\$66.5 million	100%	\$4,497
Target	110	\$80.98 million	100%	\$9,361
	<b>Strategies aimed at incremental business in cooperation with industry</b>			
	Number of incremental tourism events hosted ie conventions hosted	Actual visitor expenditure from incremental tourism activities ie conventions hosted	Proportion of conventions held as planned	Cost per incremental tourism activity
Actual	198	\$42.28 million	100%	\$537
Target	124	\$47.89 million	100%	\$685
	<b>Policy advice to Government</b>			
	Number of advices provided to Government	Proportion of first drafts accepted	Proportion of advices provided within agreed timeframes	Cost per policy advice
Actual	0	N/a	N/a	N/a
Target	15	90%	95%	\$339

	Quantity	Quality	Timeliness	Cost
<b>Strategic Market Intelligence</b>				
	<b>Provision of strategic market intelligence to the tourism industry</b>			
	Number of data tables available to industry and updated twice yearly	Proportion of industry (registered) having access to common good research	Updated tables available on time	Cost per data table
Actual	100	100%	100%	\$4,045
Target	180	70%	100%	\$1,932
	Number of common good consultancies	Overall level of industry satisfaction with information provided	Satisfaction with timeliness of consultancy service provided	Cost per consultancy
Actual	863	75%	100%	\$733
Target	1200	85%	85%	\$4443
	<b>Tourism industry education of market intelligence</b>			
	Number of industry education seminars delivered	Level of customer satisfaction with industry education service provided	Services delivered according to Operational Plan timeframes	Cost per industry education seminar
Actual	2	100%	100%	\$4,814
Target	6	80%	85%	\$2,122
	Number of publications maintained	Level of customer satisfaction with publications provided	Satisfaction with timeliness of consultancy service provided	Cost per publication
Actual	28	100%	100%	\$222
Target	26	85%	85%	\$317
	Number of consultancy requests serviced	Level of customer satisfaction with consultancy request service provided	Satisfaction with timeliness of consultancy service provided	Cost per consultancy requested
Actual	30	91%	100%	\$415
Target	50	85%	85%	\$329

	Quantity	Quality	Timeliness	Cost
<b>Tourism Planning and Infrastructure</b>				
	<b>Strategies and planning advice on identified tourism issues</b>			
	Annual stakeholders infrastructure plan reviewed	Produced annually	Provided within agreed timeframe	Cost per plan
Actual	1	100%	100%	\$36,515
Target	1	80%	100%	\$27,905
	Tourism investment and jobs register	Tourism investment and jobs registers produced	In accordance with Operational Plan timeframe	Cost per register
Actual	2	100%	100%	\$42,601
Target	2	100%	100%	\$32,556
	<b>Identification of new infrastructure requirements for the tourism industry</b>			
	Number of infrastructure projects worked on	Value of infrastructure sites worked on and progressed to the agreed stage	Proportion of infrastructure sites implemented or produced within agreed timeframe	Cost per infrastructure site developed to implementation or approval stage
Actual	2	> \$7.5 million	100%	\$225,722
Target	2	> \$150 million	100%	\$262,031
	<b>Policy advice to Government</b>			
	Number of advices provided to Government	Proportion of first drafts accepted	Proportion of policy advices provided on time	Cost per policy advice
Actual	50	95%	98%	\$56
Target	50	90%	95%	\$35



	Quantity	Quality	Timeliness	Cost
<b>Tourism Product and Industry Development</b>				
	<b>Provision of product development advice to operators and development of new products to suit tourism market needs</b>			
	Number of Regional Plans updated	Level of customer satisfaction with information provided.	Services delivered according to Operational Plan timeframes	Cost per tourism product and project funded
Actual	11	84%	100%	\$17,396
Target	10	80%	100%	\$18,866
	Number of agreed stages for minor infrastructure projects and tourism development products developed.	Customer satisfaction with tourism products developed.	Services delivered according to Operational Plan timeframe	Cost per infrastructure, tourism product and project worked on.
Actual	66	88%	100%	\$21,745
Target	59	80%	100%	\$23,982
	Number of common good information requests processed	Level of customer satisfaction with information provided.	Services delivered according to Operational Plan timeframe	Cost per information request
Actual	1,576	95%	100%	\$182
Target	500	80%	100%	\$566
	<b>Implementation of tourism industry professionalism and quality assurance mechanisms</b>			
	Number of additional operators registered for the National Tourism Industry Accreditation Scheme	Operators passing verification audit under the National Tourism Industry Accreditation Scheme	Delivered in accordance with operational plan timeframes	Cost per accredited operator
Actual	42	100%	100%	\$11,763
Target	50	75%	100%	\$9,123
	<b>Policy advice to Government</b>			
	Number of advices provided to Government	Proportion of first drafts accepted	Proportion of policy advices provided on time	Cost per policy advice
Actual	2,226	95%	98%	\$108
Target	550	90%	95%	\$263

	Quantity	Quality	Timeliness	Cost
<b>Tourist Information Distribution and Retail Booking Service</b>				
	<b>Strategies aimed at tourism product and destination information distribution</b>			
	Number of inquiries serviced by Perth Visitor Centre	Overall level of customer satisfaction with level of service with Perth Visitor Centre	Customer Satisfaction with timeliness by Perth Visitor Centre	Cost per inquiry by the Perth Visitor Centre
Actual	418,803	93%	100%	\$5.72
Target	540,000	80%	80%	\$5.14
	Number of inquiries serviced by other Visitor Centres (virtual calls diverted)	Overall level of customer satisfaction with level of service by other Network Visitor Centres	Customer Satisfaction with timeliness by other Network Visitor Centres	Cost per inquiry by other Network Visitor Centres
Actual	37,436	82%	85%	\$7.11
Target	80,000	80%	80%	\$3.05
	<b>Strategies aimed incremental tourism business in cooperation with industry</b>			
	Number of passengers booked	Visitor expenditure generated	Customer satisfaction with timeliness	Cost per inquiry serviced
Actual	21,425	\$18.03 million	85%	\$111.81
Target	16,800	\$23.35 million	80%	\$93.10

## **CORPORATE SUPPORT, STRUCTURE AND GOVERNANCE**

The Western Australian Tourism Commission has embraced the principles of corporate government in alignment with the 'Corporate Guidelines for Western Australian Public Sector Chief Executive Officers' to achieve the following outcomes:

- Effective resource management
- Effective delivery of public services
- Compliance with the varied requirements of a statutory authority
- Providing the Minister for Tourism with the required level of information.

### **1. CLEAR PLANNING AND DIRECTION**

The Western Australian Tourism Commission was established in January 1984 under the *Western Australian Tourism Commission Act 1983*. In December 1994, the *Western Australian Tourism Commission Amendment Act 1994* was proclaimed and came into operation on 31 December 1994.

The Amendment Act separated the role of the Chairman and Chief Executive Officer and expanded the Board of Commissioners to a maximum of eight members, one of whom is appointed Chairperson. The Governor also appointed the Chief Executive Officer as an additional member to the Board bringing the total to nine.

#### **Functions of the Board**

The Board of Commissioners is the governing body for the Western Australian Tourism Commission. It is responsible for performing the functions set out in the Act.

The strategic roles of the Board include:

- setting the overall strategic direction for the WATC;
- determining standards of operation; and
- coordinating industry focused planning, policies and decision-making processes.

The operational roles of the Board include:

- setting strategies for the achievement of outcomes;
- development of cooperative strategies to integrate industry-wide initiatives;
- striving for best practice and compliance with minimum standards; and
- delegating operational decision-making to officers within the WATC.

#### **WATC Board of Commissioners**

##### **Commissioners**

The Board of the Western Australian Tourism Commission consists of a Chairman and seven members. Responsible to the Minister for Tourism, the Honorable Clive Brown MLA, the Board sets policy and administers the Act.

##### **Alan Mulgrew (Chair)**

Alan Mulgrew (Principal) established Airstat Partnership Pty Ltd in 1997 as a corporate advisory company specializing in strategic management advice in areas of corporate re-engineering, infrastructure planning/implementation and commercial development. Mr Mulgrew has a strong aviation background and has worked extensively overseas at a senior management level. Mr Mulgrew was the former Chief Executive Officer of Sydney Airport and prior to that appointment he was General Manager of Perth Airport.

**Laurie O'Meara (Deputy Chair)**

Laurie O'Meara is the past-president of the newly established Tourism Council Western Australia and a champion of the Tourism Accreditation program. Mr O'Meara is a driving force behind the tourism industry in Western Australia and is the current President of the Australian Tourism Accreditation Association and the deputy chair of the Rottnest Island Authority Board. His extensive experience includes ownership and operation of the Best Western Hotel chain license in Western Australia, the Emerald Hotel in Perth and the Emerald Colonial Lodge in Margaret River.

**Janet Holmes à Court**

Janet Holmes à Court is Chairman of Heytesbury Pty Ltd, a family owned company with extensive business interests in Australia. Mrs Holmes à Court is the Chairman of the John Holland Group, now part of the Leighton Group; the Australian Children's Television Foundation; the Black Swan Theatre Company and the West Australian Symphony Orchestra, and is also on the Board of Goodman Fielder Limited. Mrs Holmes à Court has been widely recognized nationally and internationally for her contribution to education and her services to business, arts and community.

**Helen Creed**

Helen Creed is a Vice-President of the ACTU, Chair of the ACTU's women's committee and a Director of the TLC Building Society Group. As the former State Secretary and current National President of the Australian Liquor, Hospitality and Miscellaneous Workers Union she is ideally placed to voice both the concerns and aspirations of the workers within the tourism industry. Ms Creed is a published author, writing particularly in the areas of industrial relations and social welfare and has served on the WATC Board previously from June 1992 to January 1994. Ms Creed brings a wealth of experience to the current Board.

**Ross Hughes**

Mr Hughes has been a member of the LandCorp Board since 1997 and Chairman since 1998. He was Chairman of the Rottnest Island Authority for over seven years until 2001 and was a Senator of Murdoch University for nine years. Mr Hughes is an Associate of the Australian Property Institute, a licensed valuer and property consultant with in excess of thirty years experience in the Western Australian property industry.

**Ian Mitchell**

Mr Mitchell is the Group General Manager Australia Sales for Qantas Airways. He is responsible for the sales, marketing and distribution strategies for Qantas in Australia and Papua New Guinea. Mr Mitchell was previously the Managing Director of the Northern Territory Tourism Commission

**Sonja Mitchell**

Ms Mitchell is the Chief Executive Officer and partner in the Kununurra based aviation company – Slingair. Ms Mitchell began her association with Slingair 10 years ago and has held a variety of roles as pilot, Operations Manager, Product Development Manager and Marketing Manager. Ms Mitchell is a current member of the marketing sub-committee of the Kimberley Tourism Association (KTA) and is Vice President of the executive committee of KTA.

**Michael Monaghan**

Michael Monaghan is a third generation hotelier with over 35 years experience in the hospitality industry. He was the National President of the Australia Hotels Association from 1996 to 1998 and was awarded national life membership in 2000 for services to the hospitality industry. He has been the State President of the WA Branch of the Australian Hotels Association since 1992 and was awarded life membership in 1997. As the licensee of the Subiaco Hotel, Mr Monahan employs over 100 people and has extensive understanding of the needs of the tourism and hospitality industries.

**WATC Board Meetings and Attendance**

	<b>Eligible to Attend</b>	<b>Attended</b>
Alan Mulgrew	5	4
Laurie O'Meara	5	5
Helen Creed	5	4
Janet Holmes à Court	5	4
Ross Hughes	11	8
Ian Mitchell	11	7
Sonja Mitchell	2	2
Michael Monaghan	2	2
<i>Outgoing Board Members</i>		
Kevin Carton	2	1
Annette Knight	6	5
Ron Buckey	9	9
Ruth Harrison	6	6
Joanne Tait	6	5
Rod Warren	9	9

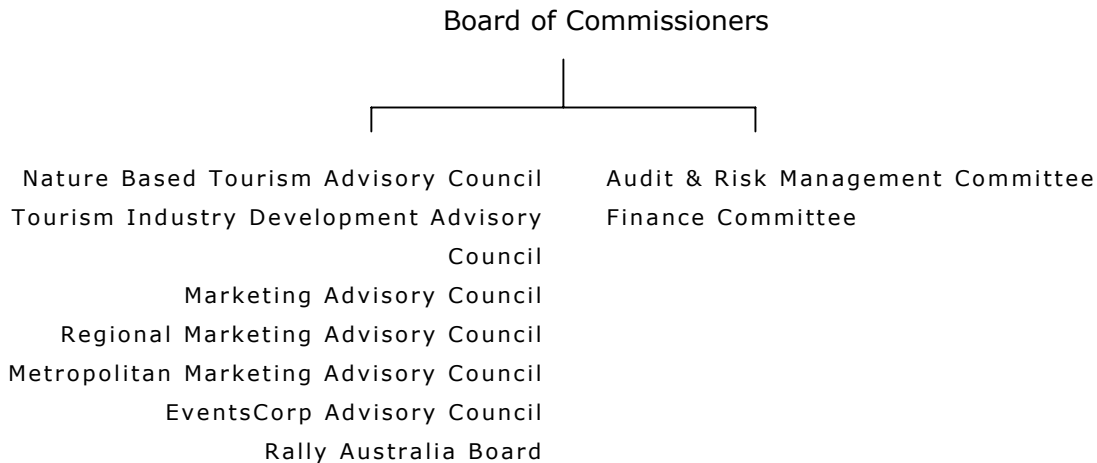
In 2001-2002 there were 13 meetings held, comprising 11 regular and 2 special meetings. The Board does not meet in January.

**Declaration of Interests**

No declarations of interests were made in relation to senior officers.

**Committee Structure**

A number of committees that address specific aspects of the WATC's activities and operations support the Board of WATC in its deliberative and decision-making role.

**Executive Management Team**

The Chief Executive Officer and four Executive Directors are responsible for the day-to-day operations of the WATC, and form the Executive Management Team (EMT).

The EMT met fortnightly to address strategic and operational matters and to approve the administrative policies of the WATC. A number of sub-committees report to the EMT on specific aspects of operations and projects directed by it.

## **2. APPROPRIATE AND TIMELY INFORMATION**

### **Ministerial Reporting**

The Commission conformed to the reporting requirements of statutory authorities stated in the *Financial Administrative and Audit Act 1985* and in Treasurer's Instructions. Annual Reports were provided to the Minister and the Office of the Auditor General for audit within the required timeframe. The Commission responded promptly to 777 Ministerial Requests and 43 Parliamentary Questions, and provided 625 Briefing Notes, Speeches and Draft Media Releases relevant to operational objectives, investment or financing activities in 2001-2002.

### **Client Interaction – Customer Focus**

Clients and stakeholders are identified in all planning activities undertaken by the WATC and communication channels are continually reviewed and improved. The WATC actively sought beneficial partnerships and alliances and consulted with industry to determine customer needs and to provide appropriate direction and support.

The Commission strove to maintain high standards of promotion, information and support so that the customer encountered a positive and consistent experience. The WATC's Code of Conduct highlights our commitment to accelerating the development of WA's tourism industry.

### **Product and Service Development**

The WATC continued research to identify trends to assist in the development of products and services to meet the needs of emerging markets.

### **Customer Satisfaction Survey**

The WA Tourism Commission undertakes an annual survey of customers to measure the perception of how the Commission has performed in meeting their needs.

### **Corporate Communications**

The WATC has commenced the development of a Corporate Communications Strategy. Its aims include:

- investigation of improved mechanisms for communicating WATC's role and achievements;
- creating alliances with key stakeholders and partnering arrangements;
- effective corporate management of communication;
- building public awareness of the value of tourism; and
- ensuring the tourism industry and the wider community are aware of the key directions and activities of the Commission.

### **Waste Paper Recycling**

The WATC has a paper recycling program in place.

### **On-line Services**

The WATC's consumer website, [www.westernaustralia.net](http://www.westernaustralia.net), is linked to the OnlineWA web site. During the course of 2001-2002, the website gained an 'E-booking' facility and a Personalised Information Register facility. These features facilitate the gathering of customer information that is vital to the WATC's entry into customised relationship marketing in the future.

WATC will continue to maintain and develop partnering arrangements with other key stakeholders, including Government Departments, Local Government and private industry to ensure cost-effective development of on-line tourist services for Western Australia.

## Evaluation of Programs

Under the *Western Australian Tourism Commission Act 1983*, the WA Tourism Commission has:

- Managed its resources in accordance with the Resource Agreement entered into with the Minister for Tourism
- Prepared a 2001-2002 Budget for the approval of the Minister and Cabinet
- Conducted customer satisfaction surveys to ensure the quality of our programs meets stakeholder needs.
- Conducted review of organisational structure to ensure deliver of quality services to our customers, industry and government.

## Outcomes of the WATC Disability Services Plan

### **Outcome 1: Existing services are adapted to ensure they meet the needs of people with disabilities**

The Western Australian Tourism Commission undertakes disability service planning as part the Commission's responsibilities under the *Western Australian Disability Services Act 1993*. The objective of this planning process is to ensure that people with disabilities, their families and carers can, wherever possible, access services provided and/or promoted by the Western Australian Tourism Commission.

As part of the Perth Visitor Centre refurbishment in 2001-2002, the WATC commissioned a Disabled Access Audit by the Independent Living Centre of WA (Inc.) and implemented a number of the resulting recommendations during the course of the year.

### **Outcome 2: Access to buildings and facilities is improved**

Although the Western Australian Tourism Commission does not have any statutory control over private sector tourism operators, regular and ongoing discussions with the operators and the Disability Services Commission have ensured the needs of tourists with disabilities are continually assessed and responded to wherever possible.

Advice is given to developers to ensure construction and fittings of facilities are to ACROD and building code standards.

### **Outcome 3: Information about services is provided in formats which meet the communication requirements of people with disabilities**

A disability access survey of tourism operators is used to improve the information available to people with a disability and their families whenever planning holidays and/or travel.

### **Outcome 4: Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities**

The WA Visitors Centre provides advice and assistance on a wide range of tourist attractions and accommodation to assist those people with disabilities.

A WA initiative to provide extensive information highlighting facilities for disabled tourists/visitors is available on the WA holiday destination website. This initiative has now been replicated by three other states.

### **Outcome 5: Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes**

The WATC is committed to working in consultation with industry and the community in order to actively engage customers in decision-making processes where possible. In 2002-2003 the Commission will develop its own Disability Services Plan with specific strategies that focus on providing opportunities for those people with disabilities to participate in various consultative mechanisms.

## Cultural Diversity and Language Services Outcomes

The WA Tourism Commission has a high proportion of customers who are from overseas or who have English as a second language. We encourage and benefit also from the multicultural mix of our staff, many of whom have a non-English speaking background.

## Freedom of Information (FOI)

The WA Tourism Commission complies with the *Freedom of Information Act 1992* requirements.

The Commission's Information Statement details the Commission's functions, categories of documents held by the Commission and arrangements for public access to these documents including any associated fees. An FOI application may be made to obtain records about the WA Tourism Commission's business. The Commission has a nominated FOI Coordinator in the Records Management Branch to assist in lodging applications.

Nil Freedom of Information requests were received and processed in 2001-2002.

General customer enquiries were received via letter, email or telephone and were responded to according to the Commission's Code of Conduct.

The following information relates to Freedom of Information Applications received during the year ended 30 June 2001.

	Number
New Valid Applications Received	1
Non Personal Information	1
Personal Information	0
Outcome – Access in Full	1
Outcome – Edited Access	0
Applications on hand at 30/6/01 and yet to be finalised	0
Applications withdrawn by Applicant	1
Number of Applications	0
Internal Review	0
External Review (by FOI Commissioner)	0

Fees and Charges Received: \$30

## 3. SOUND RESOURCE MANAGEMENT

### Assets and Liabilities

The Commission is committed to effective and efficient management and custodianship of government assets and desirable items/equipment in accordance with endorsed management policies. This includes management of asset registration, disposal/transfer and stocktakes.

### Human Resources

We recognise the value, strength and potential of our staff. Human Resources aimed to maintain best practice in the recruitment, management and development of our staff.

### Employee Learning and Development

In addition to formalised 'off-the-job' training, a number of 'on-the-job' development opportunities were provided to employees through the common practice of internally advertising positions that are temporarily vacant and available for acting/relieving. The duration of these opportunities may vary from a few weeks up to 6 months.

Chairman's scholarships totalling \$20,000, were awarded to fourteen employees to assist individuals with a recognised course of study at University or TAFE. Studies undertaken have included, e-marketing, commerce and ecotourism.

Each year scholarships are offered to current employees to ensure the Western Australian Tourism Commission provides employees with the skills and expertise needed to drive our industry into the future.



Past recipients have undertaken courses, field trips, attended seminars and undertaken industry visits that have exposed them to the very latest practices in a range of areas that will make a positive contribution to the operations of the WATC.

One particular outcome from the review of the WATC's functions and activities during the year has been the creation of a part-time training officer role within the WATC to support employee learning and development programs in areas such as regulatory requirements, current job skill/knowledge requirements, career development and also to assist with broader organisation change initiatives.

Work experience opportunities and structured graduate/undergraduate student placements are also part of the WATC's development program and are designed for individuals considering a career in the broader tourism industry. During the year the WATC implemented an on-line advertising approach to these placement opportunities in preparation for the 2002 Christmas vacation and the 2003 calendar year.

### **Industrial Framework**

The WATC's Enterprise Bargaining Agreement of 1999 was replaced by the Government Officers Salaries, Allowances and Conditions General Agreement of 2002. This agreement restores parity of pay and conditions between employees in the WATC and like employees within the broader public sector.

### **Equal Opportunity and Valuing Diversity**

As part of ongoing promotion and improvement of equal employment opportunity (EEO), the WATC conducts regular equal opportunity awareness training of management and employees. This focus of this training varies between issues such as workplace behaviours, employment practices and services delivery practices. During the year 2<sup>nd</sup> and 3<sup>rd</sup> tier management were provided with training in relation to workplace behaviours and the regulatory framework that deals with the management of work environments.

### **Employee Profile**

**Employee profile indicators for 2001/02 are as follows:**

<b>Classification Level</b>	<b>Full Time Equivalents</b>	<b>Number of Employees</b>	<b>Male (%)</b>	<b>Female (%)</b>
<b>Class 1 &amp; above</b>	<b>2</b>	<b>2</b>	<b>50</b>	<b>50</b>
<b>Level 9</b>	<b>2</b>	<b>2</b>	<b>100</b>	<b>0</b>
<b>Level 8</b>	<b>3</b>	<b>3</b>	<b>67</b>	<b>33</b>
<b>Level 7</b>	<b>8</b>	<b>8</b>	<b>75</b>	<b>25</b>
<b>Level 6</b>	<b>17.8</b>	<b>18</b>	<b>72</b>	<b>28</b>
<b>Level 5</b>	<b>22</b>	<b>22</b>	<b>36</b>	<b>64</b>
<b>Level 4</b>	<b>21.4</b>	<b>22</b>	<b>18</b>	<b>82</b>
<b>Level 3</b>	<b>13</b>	<b>13</b>	<b>23</b>	<b>77</b>
<b>Level 2/4</b>	<b>0.5</b>	<b>1</b>	<b>0</b>	<b>100</b>
<b>Level 2</b>	<b>36.1</b>	<b>38</b>	<b>11</b>	<b>89</b>
<b>Level 1</b>	<b>9.3</b>	<b>11</b>	<b>18</b>	<b>82</b>
<b>Overseas</b>	<b>12</b>	<b>12</b>	<b>17</b>	<b>83</b>
<b>TOTAL</b>	<b>147.1</b>	<b>152</b>		

#### **Notes:**

**Does not include casual employees.**

**Employees as at 30 June 2002**

## **Safe working environment**

The WATC continued to promote a safety and health work environment with such activities as an internal audit of the WATC's occupational safety processes and structures and also the provision of free flu immunisation. Of particular significance during the year was the upgrading of security at the WATC's head office location (which is shared with the local US consulate) in response to the events of September 11, 2001.

### **Occupational safety and health indicators for 2001/02 are as follows:**

Number of lost time injuries/diseases	0
Duration rate (days)	0
Number of workers' compensation claims	1

## **Leave liability**

### **Leave liability indicators for 2001/02 are as follows:**

Average annual leave weeks per FTE	3.7
Average long service leave weeks per FTE	2.1

#### **Note:**

**Leave liability is the amount of annual or long service leave owing to an employee if that employee were to resign.**

## Public Sector Standards

In accordance with section 31(1) of the Public Sector Management Act 1994, the WATC is required to comment on the extent to which public sector standards, codes of ethics and any relevant code of conduct have been complied with.

The WATC has continued to refine its human resource policies and practices to ensure ongoing compliance with the Public Sector Standards. These policies are accessible to employees through the WATC's intranet.

The WATC Code of Conduct was adopted in 1998 to compliment the Public Sector Code of Ethics. The Code of Conduct is distributed to all employees and is also incorporated as part of the WATC's policy framework.

The number of applications for breach of standard and corresponding outcomes for 2000/01 were:

Number lodged	0
Number of material breaches found	0

Mr Alan Mulgrew  
30 August 2002

Mr Richard Muirhead  
30 August 2002

## **Finance**

Accrual accounting practices ensure that administration occurs in a timely and accurate manner. The WA Tourism Commission complies with the *Financial Administration and Audit Act 1985* in managing its financial transactions. Purchasing instruments such as credit cards and purchase orders are monitored and controlled through an internal cost centre and delegation/authority structure.

## **Ministerial Directives**

There were no ministerial directives during 2001-2002.

## **4. ADEQUATE CONTROLS**

### **Risk Management**

WATC's strategic approach to risk management has been designed to ensure full compliance with the *Treasurer's Instruction 109* and has been deployed through decision-making at all levels. The agreed policy and protocols have been reviewed and updated to reflect changes in WATC's operating environment.

Corporate Governance is supported through a formal internal process that provides:

- independent assurance of WATC's risk management control;
- an independent annual assessment of risk as a basis for developing and implementing the internal audit plan; and
- reporting to the Board, Chief Executive Officer and Audit and Risk Management Committee on internal audit process and outcomes.

### **Subsequent Events**

No significant events had occurred after 30 June 2002 to the date of signing this report to adversely affect the operations of the WATC.

# COMPLIANCE STATEMENT

The Honorable Clive Brown MLA  
Minister for Tourism

Dear Minister,

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report for the Western Australian Tourism Commission for the year ended 30 June 2002. The report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

## **Legislation and Administration**

The *Western Australian Tourism Commission Act 1983* and the *Western Australian Tourism Commission Amendment Act 1994* govern the administration of the Western Australian Tourism Commission.

The Western Australian Tourism Commission administers the *Western Australian Tourism Commission Act 1983* and the *Western Australian Tourism Commission Amendment Act 1994*.

## **Legislation impacting on WATC Activities**

In the performance of its functions, the WATC complies with the following relevant written laws:

- *Anti-Corruption Act 1988*
- *Anti Discrimination Act 1938*
- *Archives Act 1983, Commonwealth*
- *Censorship Act 1996*
- *Commercial Tenancy (Retail Shops) Agreements Act 1985*
- *Copyright Act 1993*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Fair Trading Act 1987*
- *Financial Administration and Audit Act 1985*
- *Freedom of Information Act 1992*
- *Government Employees Superannuation Act 1987*
- *Income Tax Assessment Act 1936*
- *Industrial Relations Act 1979*
- *Industrial Relations Act 1990, Commonwealth*
- *Library Board of Western Australia Act 1951*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Health, Safety and Welfare Act 1984*
- *Public Sector Management Act 1994*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Supply Commission Act 1991*
- *Treasury Regulations and Treasurer's Instructions*
- *Western Australian Tourism Commission Act 1983*
- *Western Australian Tourism Commission Amendment Act 1994*
- *Workers Compensation and Rehabilitation Act 1981*
- *Workplace Agreements Act 1993*

In the financial administration of the WATC, we have complied with the requirements of the *Financial Administration and Audit Act 1985* and every other relevant written law. We have exercised controls that provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property, and incurring of liabilities, have been in accordance with legislative provisions.

Procedures designed to ensure compliance and appropriate internal assessments have been put in place to satisfy us that this statement is correct.

ALAN MULGREW  
CHAIRMAN  
30 August 2002

RICHARD MUIRHEAD  
CHIEF EXECUTIVE OFFICER  
30 August 2002

### PUBLICATIONS

The WA Tourism Commission produced a range of publications to promote Western Australia as a premier nature-based tourism destination and to satisfy compliance, stakeholder and potential customer requirements. Copies of publications are available by contacting the WA Tourism Commission or by visiting [www.tourism.wa.gov.au](http://www.tourism.wa.gov.au)

Publication	Price
Annual Report 1999-2000	Free
Cooperative Marketing Guide 2000-2001	Free
Corporate Calendar 2000-2001	Free
Draft Corporate Plan 2000-2001	Free
Partnership 21 2000-2005	Free
Press Kit	Free
Brand WA Guidelines	Free
Tourism Association Marketing Guide	Free
Tourism Operator Marketing Guide	Free
In Touch Newsletter	Free
Best on Earth in Perth 2001 Calendar	Free
Events Update (Aug 2000, Nov 2000, March 2001, June 2001)	Free
EventsCorp Corporate Brochure	Free
Film Permit Contacts	Free
Perth and Fremantle Guide	Free
Wildflower Holiday Guide	Free
Winter Breaks	Free
Research Brief on Tourism (2 issues per year)	Free
Tourism Research Review WA State (Domestic: visitor numbers, expenditure, travel characteristics)	\$22.00
Tourism Research Review – WA State (international, visitor numbers, expenditure, travel characteristics of 8 key international markets)	\$22.00
Touristics (annual subscription – 2 issues per year)	\$22.00
Tourism Research Reviews – WA regions (11 regions) (visitor numbers, expenditure, travel characteristics)	\$11.00 each
Tourism Research Reviews – Towns/Shires (14 localities) (commercial Accommodation stats, transport stats et al)	\$11.00 each
Guidelines for Tourism Signs — a set of guidelines for sign-posting tourist attractions and visitor-service facilities	Free
Designing Tourism Naturally	\$35.00
Tourism Development Register	\$55.00
Tourism Infrastructure and Product Development Plans 2001-2005 – for each of the 10 tourism regions of WA.	Free
Tourism Advantage: Education Resource Kit	\$30.00
Workshop Manual (workshop separate)	\$42.90
Free information on tourism services and attractions can be seen at the Western Australia web site <a href="http://www.westernaustralia.net">www.westernaustralia.net</a> ; at <a href="http://www.tourism.wa.gov.au">www.tourism.wa.gov.au</a> or through its links.	Free

## RESEARCH AND DEVELOPMENT SUMMARY

Research and Development Activity	Status
Knowledge Sharing Strategy	Ongoing
Partnership 21 Industry Plan	Completed
ATDW (Australian Tourism Data Warehouse)	Ongoing
Regional On-line Services Strategy	Ongoing
PowerTour <i>E-Booking</i> Enhancement	Completed
Personalised Information Service	Completed
International Contact Management System	Ongoing
See Australia Limited – Cooperative National Marketing Campaign	Ongoing
National Sales Network	Ongoing
National Trade Strategy	Ongoing
Virtual Call Centre	Completed
Western Australian Tourism Network	Completed
Network WA	Ongoing
International Market Development Strategy	Ongoing
Interactive Television Development Strategy	Ongoing
Tourism Research Briefs	Ongoing
Tourism Satellite Account	Ongoing
Tourism Development Register	Ongoing
Food and Wine Tourism Strategy	Ongoing
Nature Based Tourism Strategy	Ongoing
Touch Product Development	Ongoing

## ADVERTISING AND SPONSORSHIP

As required by Section 175ZE of the Electoral Act 1907, the WATC reports that it has incurred expenditure during the financial year ended 30 June 2002 on the following:

	\$
(a) Advertising Agencies	1,921,002
(b) Market Research Organisations	426,637
(c) Polling Organisations	0
(d) Direct Mail Organisations	2,694
(e) Media Advertising Organisations	3,535,073
	<b>5,885,406</b>
(a) Advertising Agencies	
303 Advertising	1,538,560
Jaz Design & Multimedia	121,093
Compac Marketing	106,007
JMG Marketing	67,236
Marketforce Productions	45,470
BAC Productions	18,152
The Image Fitz	18,070
PR Agencies	6,414
	<b>1,921,002</b>
<b>(b) Market Research Organisations</b>	
Bureau Of Tourism Research	238,098
Donovan Research	95,520
Patterson Market Research	50,941
Market Equity P/L	42,078
	<b>426,637</b>
<b>(c) Polling Organisations</b>	<b>0</b>
<b>(d) Direct Mail Organisations</b>	
Brochure Direct Ltd	2,633
Impact Publications	61
	<b>2,694</b>
<b>(e) Media Advertising Organisations</b>	
Media Decisions	2,852,705
The Ten Group Limited	564,000
MPH Magazines (S) P/L	76,634
Countrywide Publications	18,388
BNC Television Service P/L	11,770
Marketforce P/L	6,706
Advance Press P/L	2,310
Business News	831
Rural Press Regional Media (WA)	710
Richmond News	459
Eaton-Australind Newspaper	261
BRW Media	160
Niche Media P/L	139
	<b>3,535,073</b>



## HOW TO CONTACT THE COMMISSION

### **Perth**

HEAD OFFICE 16 St Georges Terrace, PERTH, Western Australia 6000  
Tel: (08) 9220 1700 Fax: (08) 9220 1702 Web site: [www.westernaustralia.net](http://www.westernaustralia.net)  
e-mail: [welcome@tourism.wa.gov.au](mailto:welcome@tourism.wa.gov.au)

### **WESTERN AUSTRALIAN VISITOR CENTRE**

(Formerly known as the PERTH VISITOR CENTRE)  
Forrest Place (Ground Floor, Albert Facey House, cnr Wellington Street), PERTH, Western Australia 6000  
Tel: 1300 361 351 Fax: (08) 9481 0190 e-mail: [travel@tourism.wa.gov.au](mailto:travel@tourism.wa.gov.au)

### **Regional**

**KIMBERLEY** - Suite 1, Cnr Dampier Street and Napier Terrace, BROOME 6725  
Tel: (08) 9193 6122 Fax: (08) 9193 6142  
Email: [kimberley@tourism.wa.gov.au](mailto:kimberley@tourism.wa.gov.au)

**PILBARA** - State Government Office Building, cnr Searipple & Welcome Roads,  
PO Box 294, KARRATHA WA 6714  
Telephone: (08) 9185 0188, Facsimile: (08) 9185 0189  
Email: [pilbara@tourism.wa.gov.au](mailto:pilbara@tourism.wa.gov.au)

**GASCOYNE** - 15 Stuart Street, CARNARVON 6701  
Tel: (08) 9941 2406 Fax: (08) 9941 4713  
Email: [gascoyne@tourism.wa.gov.au](mailto:gascoyne@tourism.wa.gov.au)

**MID WEST** - SGIO Building, cnr Chapman Road and Cathedral Avenue, GERALDTON 6530  
Tel: (08) 9921 0716 Fax: (08) 9964 5244  
Email: [midwest@tourism.wa.gov.au](mailto:midwest@tourism.wa.gov.au)

**GOLDFIELDS/ESPERANCE** - 377 Hannan Street, KALGOORLIE 6430  
Tel: (08) 9021 0821 Fax: (08) 9091 7340  
Email: [goldfields@tourism.wa.gov.au](mailto:goldfields@tourism.wa.gov.au)

**HEARTLANDS** - PO Box 331, NORTHAM 6401  
Tel: (08) 9622 5627 Fax: (08) 9622 7098  
Email: [heartlands@tourism.wa.gov.au](mailto:heartlands@tourism.wa.gov.au)

**PEEL** - Unit 11, 55 Mandurah Terrace, MANDURAH 6210  
Tel: (08) 9535 6167 Fax: (08) 9535 4678  
Email: [peel@tourism.wa.gov.au](mailto:peel@tourism.wa.gov.au)

**SOUTH WEST** - 10th Floor, Bunbury Tower, 61 Victoria Street, BUNBURY 6230  
Tel: 08 9791 9000 Fax: 08 9791 7077  
Email: [southwest@tourism.wa.gov.au](mailto:southwest@tourism.wa.gov.au)

**GREAT SOUTHERN** - Pyrmont House, 110 Serpentine Road, ALBANY 6330  
Tel: (08) 9841 8599 Fax: (08) 9841 3319  
Email: [southern@tourism.wa.gov.au](mailto:southern@tourism.wa.gov.au)

## **Interstate**

VICTORIA - Level 11, 50 Franklin Street, MELBOURNE Victoria 3000  
Tel: (03) 9663 2766 Fax: (03) 9663 2120  
Email: lkeam@tourism.wa.gov.au

NEW SOUTH WALES - 116 Cathedral Street, WOOLLOOMOOLOO NSW 2011  
Tel: (02) 9358 2499 Fax: (02) 9358 5633  
Email: watcnsw@tourism.wa.gov.au

QUEENSLAND - 6th Floor, 87 Wickham Terrace, BRISBANE QLD 4000  
Tel: (07) 3832 8849 Fax: (07) 3832 8223  
Email: fborserini@tourism.wa.gov.au

## **International**

JAPAN - Australian Business Centre, New Otani Garden Court Building, Level 28F,  
4-1 Kioi-cho, Chiyoda-ku TOKYO 102-0094  
Tel: 0011 81 3 5214 0797 Fax: 0015 81 3 5214 0799  
Email: watcjapan@mte.biglobe.ne.jp

SINGAPORE - 05-13 The Adelphi, 1 Coleman Street, SINGAPORE 179803  
Tel: Tel: 0011 65 6338 7772 Fax: 0015 65 6339 7108  
Email: watcsin@pacific.net.sg

MALAYSIA - 4th Floor, UBN Tower, Letterbox 51, 10 Jalan P Ramlee,  
50250 KUALA LUMPUR  
Tel: 0011 60 3 2072 5996 Fax: 0015 60 3 2078 0380  
Email: watckul@attglobal.net

UK/EUROPE - 5th Floor, Australia Centre, Strand, LONDON  
UNITED KINGDOM WC2B 4LG  
Tel: 0011 44 20 7395 0580 Fax: 0015 44 20 7379 9826  
Email: westozuk@tourism.wa.gov.au

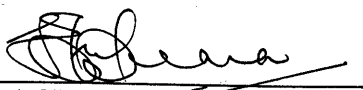
GERMANY Franziskanerstrasse 15, (2nd Floor)  
81669 Muenchen, GERMANY  
Telephone: 0011 49 89 4411 9581 Fax: 0015 49 89 4411 9582  
Email: di@tourism.wa.gov.au

## CERTIFICATION OF KEY PERFORMANCE INDICATORS AND AUDIT OPINION

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 year ended 30 June 2002.

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A MULGREW  
CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION  
30 August 2002



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L O'MEARA  
DEPUTY CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION  
30 August 2002

## OPINION OF THE AUDITOR GENERAL

*(to be inserted once received).*

## KEY PERFORMANCE INDICATORS AT OUTCOME LEVEL

### Introduction

These indicators provide a comprehensive overview of the degree to which the two outcomes for WATC have been achieved. These are:

- (a) Western Australia is promoted as an attractive tourist destination; and
- (b) an enhanced tourist industry, infrastructure and product base.

The WATC also seeks to enhance the image of Western Australia, nationally and internationally and increase overall industry performance as an important contribution to the State's economy and development.

The WATC does not control the very highest level results, such as level of visitation, visitor expenditure and investment as these are dependent on a range of factors and influences, many outside the Commission's direct control or influence. However, the WATC plays an important role in contributing to the overall success of the industry, through its outputs and their relationship to higher-level government desired outcomes.

### OUTCOME 1: WESTERN AUSTRALIA IS PROMOTED AS AN ATTRACTIVE DESTINATION

#### Effectiveness Indicators

#### 1: The extent to which campaigns and promotional activities improved the level of 'consumer awareness' of Western Australia as an attractive tourist destination

Consumer awareness of Western Australia as a tourist destination provides a measure of the extent to which the State tourism potential is recognised by consumers.

#### NATIONAL MARKET

**Source:** 1998, 1999, 2000 and 2001 Roy Morgan Research Holiday Tracking Survey (HTS). The HTS survey was conducted as part of a national omnibus survey on a weekly basis.

**Definition:** The survey focuses on measuring advertising awareness of holiday destinations in Australia; where people would prefer to go for short and long trips; and intention of taking such trips. Initial subscription by WATC was to the advertising awareness and the preference components of the HTS.

Due to a change in methodology direct comparisons can only be made for the years 2000–2001 and 2001–2002. In January 2000 Roy Morgan Research changed the HTS methodology to increase the sample size by 10,000 respondents and increased the frequency of surveys from monthly to continuous weekly interviewing and introduced a self-completion diary. More importantly, an "overseas" response option was added to the Long Trip Preference questions, which had a detrimental effect on the preferences of eastern states consumers to holiday in WA, compared with overseas destinations.

#### 1a. Perceived knowledge of Western Australia as a holiday destination by people in other states (interstate)

Category	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
A lot	4.8	4.8	4.6	4.2
Quite a bit	11.6	10.7	8.5	10.4
Some	22.0	23.0	20.9	25.1
A little	41.5	39.0	38.5	50.1
None	19.3	20.2	24.5	8.8
Can't Say	0.9	2.3	3.1	1.4

**Derivation:** Population size of 14.18 million; number of respondents is 1,014; estimated error rate +/- 1.4% at 95% confidence level.

**Comment:** In comparing the results in 2001 – 2002 with the previous year the number of interstate consumers with no knowledge about Western Australia as a holiday destination decreased by 0.9%. There has also been an increase of 0.9% of consumers who perceived they had "quite a bit" of knowledge. This element is only measured for the interstate market as previous research has demonstrated that almost all residents of Western Australia know what their own State offers as a holiday destination.

### 1b. Long Trip Preference (Propensity to consider)

The following table represents propensity by people in the interstate and intrastate markets to consider a holiday in Western Australia in the next two years, for three nights or more.

#### Propensity to consider a holiday destination in Western Australia by market type

MARKET	2001-2002 (%)	2000-2001 (%)	1999 – 2000 (%)	1998 – 1999 (%)	1997 – 1998 (%)
Interstate	15.8	16.5	28.4	23.9	21.8
Intrastate	31.2	26.0	40.8	38.1	35.1

**Definition:** The above table represents propensity by people in both the interstate and intrastate markets to consider a holiday in any Australian State in the next two years, for three nights or more.

**Derivation:** Interstate - Population size of 14.17 million; sample size of 50,518; number of respondents is 23,449 giving a response rate of 46%; estimated error rate +/- 0.3% at 95% confidence level.

Intrastate - Population size of 1.55 million; sample size of 5,520; number of respondents is 2,230 giving a response rate of 40%; estimated error rate +/- 0.9% at 95% confidence level.

**Comment:** In the national market, the indicator measures the destination where people would prefer to go to on holidays in Australia. For the purposes of this report, it is equivalent to the 'Propensity to Consider' measure reported for the international markets, but as it is based on a different research methodology, the measures cannot be compared.

The result for 1997-1998 represents the last quarter of that year because the WATC only commenced subscription to the results in that quarter. Results from other States demonstrate little variation between quarters.

A decrease of 0.7% in the propensity of people interstate who consider Western Australia as a long trip preference with an increase in intrastate consumers considering Western Australia as a holiday destination reflect the effects of the demise of Ansett and a decrease in airline capacity during the year. The effects of Ansett and the September 11, 2001 terrorist attacks and campaigns such as the \$100 million Holiday Catalogue stimulated intrastate consumers to consider Western Australia as a holiday destination resulting in an increase of 5.2%.

#### Propensity to consider a holiday destination in Australia by State (National Market)

STATE	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
WA	17.3	17.2	29.5	28.2	26.3
Qld	39.6	36.9	55.0	57.6	57.8
NSW	27.3	25.7	26.0	26.4	25.6
Vic	23.1	21.5	22.9	23.3	25.1
NT	14	14.0	25.1	25.9	24.8
Tas	14.4	13.3	23.2	23.1	21.1
SA	12.2	11.3	16.5	16.3	17.0
ACT	2.9	2.4	3.3	3.2	3.0
Overseas	38.9	41.7	-	-	-

**Derivation:** Population size of 15.72 million; sample size of 56,038; number of respondents is 25,679 giving a response rate of 45.8%; estimated error rate +/- 0.3% at 95% confidence level.

**Comment** The introduction of an "overseas" response option to surveys conducted by Roy Morgan Research since January 2001 have produced lower "Preference" figures for many States and Territories. These results are not directly comparable with those from previous years as the methodology has changed. A positive outcome is that the change in methodology provides a more accurate picture of consumer holiday preferences in terms of domestic and international destinations. WA remains the fourth most popular Australian destination for stays of 3 nights or more

### 1c. Level of unprompted advertising awareness of Western Australia as a holiday destination

#### Level of unprompted advertising awareness of Western Australia as a holiday destination – interstate

All Other States	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
Average	9.4	9.6	8.7	7.0	7.1
Peak	16.8	12.0	12.4	12.6	11.7

**Derivation:** Population size of 14.19 million; number of respondents is 12,270; estimated error rate +/- 0.4% at 95% confidence level.

**Comment:** Although the measure of advertising awareness is taken weekly via the Roy Morgan Research Holiday Tracking Survey, the most suitable measures of performance are:

- the average level of awareness for the whole year; and
- the highest or peak level of awareness for any month.

There was little variation to the average level of advertising awareness for Western Australia as a holiday destination from the prior year and it is difficult to compare with results prior to 2000 – 2001 given the change in HTS methodology. However significant increases in peak advertising awareness can be directly attributed to the increased level of activity in Brand WA campaigns and the \$100 Million Holiday Sale campaign conducted post September 11, 2001.

Fluctuations in advertising awareness throughout the year also reflect other awareness building activities including advertising undertaken by tourism operators, such as coach companies and airlines. The WATC provided financial support for cooperative tactical advertising to ensure the destination received appropriate exposure in the operators' product advertisements.

#### Level of unprompted advertising awareness of Western Australia as a holiday destination - Intrastate

	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
Average	47.0	37.3	40.4	33.1	26.1
Peak	69.8	50.6	50.4	59.5	37.6

**Derivation:** Population size of 1.54 million; number of respondents is 1,333; estimated error rate +/- 1.2% at 95% confidence level.

**Comment:** The WATC conducted a number of television and print campaigns during 2001-2002 which resulted in more advertising activity to consumers than in previous years. Awareness levels peaked at 69.8% in March 2002 following a Brand WA campaign. Another significant peak during the year of 64.2% occurred during December 2001 following the \$100 Million Campaign.

Given people may not be able to recall awareness driven specifically by generic destination advertising alone, fluctuations throughout the year could also reflect other awareness-building activities, including advertising undertaken by other operators, such as coach companies and airlines.

## INTERNATIONAL MARKET

**Source:** NFO Donovan Research Survey for core international markets of Singapore, the United Kingdom and Malaysia.

**Definition:** The survey methodology focuses on measuring the consumers level of knowledge of WA as a holiday destination and propensity to consider WA as a holiday destination in a target market population that is defined by age and socio-economic status.

### (a) Perceived knowledge of Western Australia as a holiday destination

#### Perceived knowledge of Western Australia as a holiday destination – Singapore

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
A lot	4	4	8	3	11
Quite a bit	31	20	23	15	38
Something	38	33	27	35	32
Very little	25	41	40	42	19
Nothing	2	1	2	5	1

**Derivation:** Population size of 4 million; sample size of 400, 95% confidence level, +/-5% estimated error rate.

**Comment:** The lack of a positive or negative shift in the measurement for the knowledge category "a lot" for Singapore appears on face value to be disappointing however a significant jump has been achieved in the category "Quite a Bit" providing an overall positive shift in awareness in Singapore from 24% in 2001 to 35% in 2002. Supporting this is the drop in consumers claiming to know "very little" which has fallen from 41% in 2001 to 25% in 2002.

#### Perceived knowledge of Western Australia as a holiday destination - United Kingdom

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
A lot	6	5	5	3	3
Quite a bit	9	15	11	11	7
Something	31	37	20	23	24
Very little	33	17	41	37	40
Nothing	22	26	22	26	26

**Derivation:** Population size of 15 million in greater London region; sample size of 401, 95% Confidence level, +/- 5% estimated error rate.

**Comment:** Despite the highly competitive marketing environment in the UK consumer awareness of WA for the top measure "A Lot" increased from 5% to 6%. Compounding this is the combined measure for the categories "A Lot and Quite a Bit" which shows an overall fall in awareness from 20% to 15%. This can be attributed to a number of factors including a highly competitive marketing environment (GBP5million campaign by South Africa) and a loss in consumer interest and desire to travel long haul following September 11, 2001.

#### Perceived knowledge of Western Australia as a holiday destination – Malaysia

Rating	2001-2002 (%)	2000-2001 (%)
A lot	7	5
Quite a bit	18	20
Something	42	33
Very little	30	33
Nothing	3	9

**Derivation:** Population size of 24 million; sample size of 392, 95% confidence level, +/- 5% estimated error rate. Due to rounding, total percentages may not equal 100% for the above tables.

Survey data collected in Malaysia in 2000 – 2001 for the first time.

**Comment:** There has been a positive shift in awareness from the category "Quite a Bit" to "A Lot" suggesting the Brand WA campaign initiatives have been successful in positioning the State as a desirable holiday destination.

#### (b) Propensity to consider Western Australia as a holiday destination

##### Propensity to consider Western Australia as a holiday destination - Singapore

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
Definitely consider	15	13	10	15	25
Might consider	51	35	52	47	46
Not consider	33	44	36	38	21
Don't know	1	8	2	1	9

Population size of 4 million; sample size of 400, 95% confidence level, +/- 5% estimated error rate.



### Propensity to consider Western Australia as a holiday destination - United Kingdom

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)
Definitely consider	27	34	34	28	27
Might consider	39	38	34	39	39
Not consider	24	22	27	19	19
Don't know	10	6	4	15	15

Population size of 15million in greater London region; sample size of 401, 95% Confidence level, +/- 5% estimated error rate.

### Propensity to consider Western Australia as a holiday destination - Malaysia

Rating	2001-2002 (%)	2000-2001 (%)
Definitely consider	16	12
Might consider	48	35
Not consider	32	41
Don't Know	5	13

**Derivation:** Population size of 24 million; sample size of 392. 95% confidence level, +/- 5% estimated error rate.

Due to rounding, total percentages may not equal 100% for the above tables.

Survey data was collected in Malaysia in 2000-2001 for the first time.

**Comment:** Converting awareness to desire is a critical component of the WATC's marketing efforts. There was a positive shift in consideration for the top measure "Definitely Consider" in the Singapore and Malaysia markets following the Brand Campaigns. In the UK our marketing efforts were seriously affected due to the high volume of competitive marketing following the September 11, 2001 crisis and an overall drop in consumer confidence in long-haul holiday travel. As a result the WATC's Brand WA campaign has been impacted and a downturn in consideration for the top level 'definitely consider' reported for the market.

## 2: The extent to which activities of the Western Australian Tourism Commission improved the level of 'trade awareness' of Western Australia as an attractive tourist destination.

As tourist destination choices and purchases can be influenced by travel agents, the WATC actively promotes Western Australia to these industry or trade operators. Therefore, trade awareness of Western Australia as a tourist destination and the propensity to recommend Western Australia as a destination to the customers also indicates the extent to which the State is being successfully promoted.

**Source:** Annual Survey conducted by Patterson Market Research to measure the level of influence the WATC has on the trade regarding its awareness of Western Australia's tourism products and its propensity to recommend WA's tourism products to its customers. The trade refers to retail and wholesale travel agents.

**Definition:** The national market includes only interstate trade who are serviced by the WATC's interstate sales team. Only agents who were targeted during the year are included in the survey population.

### (a) Knowledge levels of WA product

#### Knowledge levels of WA product amongst retail travel agents for the national market

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)	1996-1997 (%)
10	2	4	1	1	3	3
9	8	16	16	16	12	10
8	38	33	37	43	40	38
7	28	20	26	22	26	16
6	14	17	13	8	8	10
1-5	10	9	6	10	12	23

**Derivation:** Sample size 100; 53% response rate; 95% confidence level, +/- 7.0% estimated error rate. Rating out of 10 (10 denotes "excellent awareness of WA"; 1-5 denotes "very poor knowledge of WA"). Due to rounding, total percentages may not equal 100%.

**Comment:** There was a significant increase in the number of travel agents who indicated that they now had knowledge levels of 7 and 8 out of 10 of WA product as a result of training provided by interstate marketing staff and familiarisation programs.

**Knowledge levels of WA product amongst retail and wholesale travel agents for the international core markets**

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)	1996-1997 (%)
10	20	30	27	29	20	19
9	27	23	17	32	19	25
8	25	26	34	25	31	21
7	20	12	14	8	14	12
6	5	2	8	3	9	14
1-5	2	7	0	3	7	9

**Derivation:** Sample size 44; 69% response rate; 95% confidence level; +/- 8% estimated error rate.

Rating out of 10 (10 denotes "Excellent awareness of WA"; 1-5 denotes "very poor knowledge of WA"). Due to rounding total percentages may not equal 100%.

**Comment:** There was a decline in 'excellent awareness of WA' in international trade knowledge of Western Australia over the past 12 months. The research findings to date only provide actual numbers without any anecdotal evidence which may identify reasons for this decline. Further qualitative research may be required to determine the cause of this decline although it is clearly evident international tourism marketing has been adversely affected by the events of September 11, 2001 causing many international operators to focus on regional or cross border travel as opposed to long haul travel.

**(b) WATC contribution to the current knowledge levels**

**WATC contribution to current knowledge levels amongst retail travel agents about WA product - National Market**

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)	1996-1997 (%)
Very significant	31	31	31	31	31	20
Significant	40	47	56	45	55	54
Insignificant	15	6	8	6	9	13
Not at all	12	9	2	7	5	11
Don't know	2	8	2	11	NA	NA

**Derivation:** Sample size 100; 53% response rate; 95% confidence level, +/- 7% estimated error rate.

Due to rounding, total percentages may not equal 100% for the above table.

**Comment:** Seventy one percent of travel agents surveyed reported that WATC interstate staff had at least a "significant" impact on their knowledge about WA product compared to 78% in the previous year. An increase in responses for the "Not at all" and "insignificant" categories highlights the need to place more emphasis on providing effective training to travel agents.

**WATC contribution to current knowledge levels amongst retail and wholesale travel agents about WA product – International Market**

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)	1996-1997 (%)
Very significant	30	30	29	38	32	13
Significant	64	61	56	46	51	68
Insignificant	7	5	14	14	12	14
Not at all	0	4	2	2	3	4

**Derivation:** Sample size 44; 69% response rate; 95% confidence level, +/- 8% estimated error rate. Due to rounding total percentages may not equal 100%.

**Comment:** Overall, 94% of respondents indicated that the WATC had a "significant" or "very significant" contribution to their current level of awareness of WA tourism products, a 3% increase on the result last year. Just 7% of the respondents indicated that WATC had an "insignificant" or "not at all" significant effect on their current level of awareness.

(c) **Likelihood of recommending Western Australia for a holiday to customers now as compared to 12 months ago**

**Likelihood of recommending WA for a holiday to customers now as compared to 12 months ago – National Market**

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)	1996-1997 (%)
More likely now	54	61	76	56	75	49
About the same	44	38	22	44	25	49
Less likely now	2	2	2	0	0	0
Don't know	0	0	0	0	0	2

**Derivation:** Sample size 100; 53% response rate; 95% confidence level, +/- 7% estimated error rate. Due to rounding, total percentages may not equal 100% for the above table.

**Comment:** Interstate training strategies continue to show positive results with 98% of travel agents surveyed responding that they were either the same or more likely to recommend WA for a holiday to their customers. Major reasons for this strong result included; they now had a greater knowledge of WA products (67%); have always promoted WA/people go there anyway (41%); now had increased confidence in selling the destination (37%); have visited and can now recommend/organised tours helpful (28%).

**Likelihood of recommending WA for a holiday to customers now as compared to 12 months ago – International Market**

Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)	1997-1998 (%)	1996-1997 (%)
More likely now	55	60	78	62	62	63
About the same	39	38	22	37	31	35
Less likely now	7	0	0	0	7	1
Don't know	0	2	0	3	0	0

**Derivation:** Sample size 44; 69% response rate; 95% confidence level, +/- 8% estimated error rate. Due to rounding, total percentages may not equal 100%.

**Comment:** 94% of respondents were either "More likely now" to recommend WA as a holiday destination or remained 'About the same' level of intention. 2001-2002 results reflect the highly volatile nature of international destination marketing over the past year.

**3: The extent to which visitor expenditure is generated from incremental tourism initiatives, i.e. Western Australia convention and incentive travel, Tourist Centre, events and tactical campaigns.**

A number of WATC initiatives are specifically directed at generating additional tourism activity and visitor expenditure, facilitating social and economic benefit for Western Australia. This is known in the industry as "incremental tourism activity" because the additional expenditure in the State by tourists would not have occurred if these extra initiatives had not been implemented.

Therefore, the level of incremental tourism activity, as measured by visitor expenditure, provides another indicator of the success in promoting Western Australia as a tourist destination.

**Visitor expenditure generated from incremental tourism (\$ million)**

	WA Visitor Centre	Hosted Events	Tactical Campaigns	Conventions & Incentives Hosted	Total Year
2001-2002	23.7	42.0	11.6	44.8	122.10
2000-2001	24.1	33.1	13.6	44.9	115.7
1999-2000	29.3	65.7	15.9	-	110.9
1998-1999	22.8	43.3	11.3	-	77.4
1997-1998	19.9	60.6	6.0	-	86.5
1996-1997	16.2	20.3	1.0	-	37.5
<b>Total</b>	136.0	265.0	59.4	89.7	550.4

**Definition:** The results for the WA Visitor Centre and the intrastate component of tactical campaigns, have been calculated using the most recent visitor expenditure rates available (at time of publishing) from the Domestic Tourism Expenditure Research Program.

**Comment:** The significant reduction in visitor expenditure generated by the WA Visitor Centre reflects the impact of the WA Tourism Network on its business and a general downturn in tourism as a result of reduced airline capacity into the State following the collapse of Ansett. A successful year of events, including the Johnnie Walker Classic which was held in WA for the first time, helped contribute to a substantial increase in visitor expenditure. While many Tactical Campaigns were undertaken to assist industry through the crisis of September 11 and 14, the time lag between the completion of campaigns and the receipt of results from partner operators has meant that not all visitor expenditure can be included in the above table. Conventions and Incentives pro-active response to the loss of business as a result of the events previously mentioned saw improved visitor expenditure figures for 2001-2002.

#### 4: The extent to which bids were successful for meetings, incentive travel, conventions and events

##### Estimated economic impact of successful bids (\$ million)

	Events	Conventions (International)	Conventions (National)	Meetings and Incentives
<b>2001-2002</b>	<b>44.4</b>	<b>46.8</b>	<b>46.1</b>	<b>51.4</b>
2000-2001	31.9	53.2	62.1	46.5
1999-2000	23.0	42.3	54.2	63.0
1998-1999	55.7	49.5	34.1	47.3
1997-1998	47.1	41.0	37.1	64.0
1996-1997	16.9	51.2	38.4	89.6

**Definition:** The above table provides details the effectiveness of the WATC in partnership with the Perth Convention Bureau in winning bids during the year in terms of their expected economic impact for the State.

**Derivation:** To more accurately reflect economic impact rather than direct visitor expenditure, a multiplier of 2.17 has been applied to Conventions, Meetings and Incentives. Although the bid was successful during the year, the actual event, convention or incentive travel may be held in the same or subsequent years.

**Comment:** As there is often a delay between bidding for events, conventions and incentive travel, and the staging of the activity (up to five years), it is important that success is measured annually to ensure activities are planned for the future.

The function of bidding for conventions, meetings and incentive travel groups is contract managed by WATC under a performance management system with the supplier, Perth Convention Bureau.

It is noted that the estimated Economic impact of successful event bids is brought to account in the year when the contract is signed. It should be noted that the WATC also bids for events that do not generate significant economic benefit to the State, but which generate significant national and international media coverage.

The high number of bids won for events reflects the focus in the past year by EventsCorp on its core business of attracting events to Western Australia. Many of these events had been under development for one to two years and were secured in the 2001/2002 financial year.

The 2001/2002 results for both international and national conventions shows a decrease in successful bids from the previous year. These results were expected due to the impact of global events on the convention market. However future bookings indicate that the increased infrastructure in the Perth market and the expansion by Perth Convention Bureau (PCB) into facilitating regional centres to successfully bid for conventions and strong destination marketing campaigns by PCB and industry partners are proving to be successful strategies.

## 5: Level of industry support and revenue generated

### Revenue generated through industry support

Market	2001-2002 Support \$	2000-2001 Support \$	1999-2000 Support \$	1998-1999 Support \$	1997-1998 Support \$	1996-1997 Support \$
National	1,169,426	508,669	727,017	766,927	532,899	181,983
WA Visitor Centre	777,277	800,157	886,345	789,876	778,245	860,966
International	2,349,905	2,732,246	1,775,406	1,577,762	1,158,019	1,118,011
Events	4,777,738	4,415,178	6,404,055	4,061,956	5,280,382	3,521,826
Conventions & Incentive Travel	792,586	550,030	520,969	426,802	418,705	199,467
<b>Total</b>	<b>9,866,932</b>	<b>9,006,280</b>	<b>10,313,792</b>	<b>7,623,323</b>	<b>8,168,250</b>	<b>5,882,253</b>

**Definition:** The above table provides details of WATC's effectiveness in terms of increasing the level of industry support for promotion of WA as a tourism destination and the dollar contribution provided by industry.

**Comment:** The amount of financial support provided by industry continues to be significant with just under \$10 million contributed to WATC activities in 2001-2002 or \$0.34 for every dollar invested by Government. The shift in revenue generated in the National and International markets is a direct reflection of the increased activity and resources directed towards intra and interstate marketing as a result of global events. The result is satisfactory given the financial climate that prevailed during the year.

### Efficiency Indicators

#### 1: Ratio – Total cost of campaigns and activities relative to the level of 'consumer awareness' of Western Australia as an attractive tourist destination

This efficiency indicator is a ratio comparing the level of resources expended (as measured in hundreds of thousands of dollars) in various markets to the level of awareness achieved as measured by a "consumer awareness index". The ratio is valuable as it allows comparison regarding the efficiency of marketing activities in selected markets to be reviewed longitudinally. Comparisons may also be made to other similar agencies using the same indicator for the same selected markets, should such data become available in the future.

Although results for this indicator have been reported since 1995-1996 when the initial benchmark studies were conducted, some changes in either survey methodology or selected markets mean that comparisons over time have not always been able to be maintained.

#### NATIONAL MARKET

The ratio provides a comparison between resources expended (as measured in hundreds of thousands of dollars) in the respective interstate and intrastate markets to the level of awareness achieved as measured by a consumer awareness index. The index uses the levels of consumer awareness measures as reported for the national markets at Effectiveness Indicator 1. The index is calculated differently for each market using the following formulae:

Interstate: The sum of the percentages for Perceived Knowledge for "some" and above, the annual average of Propensity to Consider (preference) and the annual average of Level of Advertising Awareness, divided by three.

Intrastate: The sum of the percentages for annual average Propensity to Consider (preference) and the annual average of Level of Advertising Awareness, divided by two.

**Ratio – Total cost of campaigns and activities relative to the level of national consumer awareness of Western Australia as an attractive tourist destination**

Year	Cost of Resources (\$100,000s)		Consumer Index		Ratio	
	Interstate Market	Intrastate Market	Interstate Market	Intrastate Market	Interstate Market	Intrastate Market
<b>2001-2002</b>	<b>55.37</b>	<b>14.67</b>	<b>21.2</b>	<b>39.1</b>	<b>1:0.38</b>	<b>1:2.66</b>
2000-2001	30.5	9.38	21.5	31.7	1:0.70	1:3.37
1999-2000	26.16	8.91	23.7	40.6	1:0.91	1:4.56
1998-1999	27.94	8.66	24.0	36.0	1:0.86	1:4.16

The Interstate Cost of Resources for the first time in 1999-2000 included a proportion of the expenditure for regional cooperative marketing initiatives that is provided to Regional Tourism Associations (RTA's).

**Comment:** Additional campaigns were conducted in 2001-2002 in response to the Ansett and September 11 crises. These additional campaigns had a significant positive effect in the intrastate market where the consumer index increased from 31.7 to 39.1 and consequently the ratio decreased due to increased levels of expenditure and activity. In the interstate market all states increased their marketing efforts in response to the crises once the propensity for travel domestically was identified. In this environment, Western Australia performed well to maintain its consumer index level at 21 considering the lack of availability of incentive fares in the market place.

### **INTERNATIONAL MARKET**

The efficiency ratio for the international markets is similar to that of the national, but as they utilise different survey methodologies the results are not directly comparable. However, as the survey methodology for the international markets has not changed from that used in the last four years, comparisons for these years are reported.

The ratio provides a comparison between the resources expended (as measured in hundreds of thousands) on international marketing activities to the level of awareness achieved, as measured by a consumer index and reported by the core international markets targeted during the year. The level of awareness measures utilised are those reported for three international markets reported at Effectiveness Indicator 1. The Consumer Index is calculated as follows using the individual market survey results:

Consumer Index: The sum of the percentages for Perceived knowledge for "something" and above, and Propensity to Consider the categories of "might consider" and above, divided by 2.

As part of the Brand WA marketing strategy major campaigns were undertaken in the United Kingdom, Singapore and Malaysia. Due to the high cost of advertising in Japan the WATC did not run a dedicated Brand WA campaign in 2001-02. Instead WA participated in a cooperative tactical advertising campaign with the ATC and Qantas in Eastern Japan and Singapore Airlines in Western Japan which was not measured by the ATC.

**Ratio – Total cost of campaigns and activities relative to the level of international consumer awareness of Western Australia as an attractive tourist destination**

#### **Singapore Market**

Year	Cost of Resources (\$100,000s)	Consumer Index	Ratio
<b>2001-2002</b>	<b>18.73</b>	<b>69.5</b>	<b>1:3.71</b>
2000-2001	13.76	52.5	1:3.82
1999-2000	8.94	60.0	1:6.71
1998-1999	6.94	57.5	1:8.29
1997-1998	9.05	76.0	1:8.40

### United Kingdom Market

Year	Cost of Resources (\$100,000s)	Consumer Index	Ratio
<b>2001-2002</b>	<b>25.31</b>	<b>56.0</b>	<b>1:2.21</b>
2000-2001	29.18	64.5	1:2.19
1999-2000	23.23	52.5	1:2.26
1998-1999	24.61	52.0	1:2.11
1997-1998	24.88	50.0	1:2.01

### Malaysian Market

Year	Cost of Resources (\$100,000s)	Consumer Index	Ratio
<b>2001-2002</b>	<b>6.05</b>	<b>65.5</b>	<b>1:10.82</b>
2000-2001	2.6	52.5	1:20.22

**Comment:** The UK results for 2001-2002 indicate a reasonable outcome given the highly volatile nature of the tourism marketing climate in the United Kingdom since 11 September 2001. While the awareness measurement for the category "A Lot" remained strong, lower measurement levels have dragged the consumer index down. The WATC brand campaign was also adversely affected by strong competitor spend. South Africa, for example, spent GBP5 million over the past 8 months to capture market share. The result for Singapore reflects a concerted effort to use partner funds to leverage media exposure for the WA brand campaign. The higher spend has achieved a higher than expected consumer index figure for 2001-02. The Malaysia result is an excellent outcome and builds on the benchmark figures established in 2000-2001 for the level of efficiency of Malaysia brand campaigns.

## 2. Ratio – Total cost of campaigns and activities relative to the level of 'trade awareness' of Western Australia as an attractive tourist destination

This efficiency indicator is a ratio that compares the level of resources expended (as measured in hundreds of thousands) in various markets to the level of trade awareness achieved as measured by a "trade awareness index".

The value of the ratio is that it allows a comparison over time regarding the efficiency of marketing to trade operators, such as retail and wholesale travel agents, in the national and international markets respectively.

Comparisons may also be made to other similar agencies using the same indicator for the same markets, should such data become available in the future.

### NATIONAL MARKET

The ratio provides a comparison between the resources expended (as measured in hundreds of thousands) in the national market (interstate), to the level of awareness achieved as measured by a consumer trade index. The index uses the levels of trade awareness measures as reported for the national markets at Effectiveness Indicator 2. The index is calculated using the following formula:

Trade Awareness Index: The sum of the percentages for "Knowledge levels of WA product using the rating of '8' and above", "WATC contribution to knowledge levels for 'significant' and above" and "Likelihood of recommending WA for a holiday", divided by 3.

### National Trade Awareness Index

Year	Cost of Resources (\$100,000s)	Trade Awareness Index	Ratio
<b>2001-2002</b>	<b>8.06</b>	<b>57.64</b>	<b>1:7.16</b>
2000-2001	12.17	64.00	1:5.26
1999-2000	11.68	72.33	1:6.19
1998-1999	8.56	64.00	1:7.48
1997-1998	11.36	72.00	1:6.34
1996-1997	10.89	58.00	1:5.33

The Interstate Cost of Resources for the first time in 1999-2000 included a proportion of the expenditure for regional cooperative marketing initiatives that is provided to Regional Tourism Associations (RTAs).

**Comment:** The Trade Awareness Index has decreased in 2001-2002 as a consequence of a reduction in resources allocated to this area. Resources were reallocated to focus on Brand awareness and partnering tactical campaigns.

## INTERNATIONAL MARKET

The ratio provides a comparison between the resources expended (as measured in hundreds of thousands) in the respective international markets, to the level of awareness achieved, as measured by a consumer trade index. The index uses the levels of trade awareness measures as reported for the international markets at Effectiveness Indicator 2. The index is calculated using the following formula:

Trade Awareness Index: The sum of the percentages for "Knowledge levels of WA product using the rating of '8' and above", "WATC contribution to knowledge levels" for 'significant' and above" and "Likelihood of recommending WA for a holiday", divided by 3.

### International Trade Awareness Index

Year	Cost of Resources (\$100,000s)	Trade Awareness Index	Ratio
<b>2001-2002</b>	<b>31.92</b>	<b>73.64</b>	<b>1:2.31</b>
2000-2001	27.91	76.67	1:2.75
1999-2000	33.08	80.33	1:2.43
1998-1999	21.67	71.00	1:3.28
1997-1998	21.69	72.00	1:3.32
1996-1997	19.99	70.00	1:3.50

**Comment:** The WATC has continued to focus trade marketing efforts on raising trade awareness of the State and its tourism product. The 2001-2002 outcome is slightly disappointing but not unexpected in light of the volatility of the global marketing environment since September 11, 2001 and the trade focus on short haul or regional travel rather than long haul. The Trade Awareness Index of 73.64 is considered to be comparatively strong for international trade marketing activity over the last 12 months.

### 3. Ratio of cost of incremental tourism activities to visitor expenditure generated

This indicator provides a ratio indicating the rate of return for each \$1 of gross operating cost expended for the selected incremental business activities, as reported in Effectiveness Indicator 3.

#### Ratio of \$1 of WATC gross operating cost of incremental tourism activity to visitor expenditure generated

Activity	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
WA Visitor Centre	<b>1:4.69</b>	1:4.98	1:8.70	1:8.89	1:6.62	1:5.57
Events hosted	<b>1:3.83</b>	1:4.49	1:5.15	1:4.27	-	-
Tactical campaigns	<b>1:3.77</b>	1:4.18	1:4.50	1:3.02	1:2.30	1:0.47

1. The results for the WA Visitor Centre have been calculated using the most recent visitor expenditure rates available from the Domestic Tourism Expenditure Research Program.
2. For events hosted, the measure is the ratio of the total economic impact on the State by hosting events divided by gross cost, spread over a period of three years. The three-year period has been adopted as it is considered that it takes approximately that time from securing an event to actually hosting it.
3. Tactical campaigns comprise those implemented in national and international markets.

**Comment:** The events of September 11 (terrorist attack on the USA) and 14 (Ansett collapse) had a profound affect on visitor numbers to the State as consumer confidence in air travel nose-dived and airline seat capacity into and around WA effectively halved. Against this backdrop the Government provided an additional \$5m for marketing activity to assist the industry to offset the severe downturn in business

### 4. Ratio of WATC cost to value of successful bids

This indicator is used to monitor the efficiency of activities relating to the research, preparation and submission of bids for events, conventions and incentive travel. The indicator provides a ratio comparing \$1 of WATC gross cost to the level of estimated economic impact from the events, and direct delegate expenditure for conventions and incentive travel to be hosted in the State.



**Ratio of \$1 of WATC gross operating cost of bidding activities to the estimated economic impact from successful bids from events and the direct delegate expenditure from conventions and incentive travel groups**

Activity	2001- 2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
Events	<b>1:40.55</b>	1:42.46	1:21.00	1:58.22	1:60.66	1:30.68
Conventions (National and International)	<b>1:53.64</b>	1:65.56	1:53.04	1:44.85	1:36.51	1:48.28
Corporate Meetings and Incentive Travel Groups	<b>1:89.04</b>	1:79.34	1:103.80	1:72.68	1:77.12	1:87.04

In 1998-1999 financial year, the value of economic impact from corporate meetings was included for the first time with incentive travel instead of conventions. Corporate meetings have historically comprised a minor portion of the economic impact from conventions.

**Comment:** The events bid ratio has declined slightly and is indicative of a trend towards increased bidding costs as a result of increased national and international competition for events. The collapse of Ansett had a market affect on the number of National Conventions held in Perth during 2001-02 and the resultant reduction in capacity and increased cost of air travel to the State continues to impact on WA's ability to attract national conventions. The attack on the World Trade Centre in September also affected international convention business. By contrast, Corporate Meetings and Incentive Group Travel business wasn't affected so dramatically. There was also an increase in the number of corporate meetings held and more efficient programs were implemented that reduced the cost of procuring meetings and incentive travel groups.

It should be noted that the ratio indicator for tactical campaigns is based on results provided by partners at the time this Annual Report was prepared and additional results are expected from campaigns just completed or that are still in progress. The events hosted ratio reflects the increasing cost of running existing events and of attracting new events, such as the Johnnie Walker Classic. Ongoing implementation of the WA Tourism Network has reduced the number of bookings made by the Western Australian Visitor Centre, and as a consequence, the amount of revenue raised.

**5. Ratio of WATC cost to industry support and revenue generated**

In line with WATC partnership objectives for many of its activities, cooperative funding from non-State Government tourism industry participants is sought for a range of marketing and other relevant initiatives. Additionally, revenue is generated from some limited commercial and retail operations. By obtaining this type of funding, the WATC is able to supplement funding from the State Government to engage in additional promotional and marketing activities for the benefit of the State.

The indicator provides a ratio which compares the level of State Government funding resources (\$1 of WATC net cost) to the level of cooperative funding attracted from non-State Government sources through various initiatives.

**Ratio of \$1 of WATC net cost to industry support and revenue generated**

Activity	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
National Marketing	<b>1:0.16</b>	1:0.09	1:0.20	1:0.11	1:0.09	1:0.03
WA Visitor Centre	<b>1:0.19</b>	1:0.28	1:0.39	1:0.35	1:0.36	1:0.44
International Marketing	<b>1:0.24</b>	1:0.37	1:0.23	1:0.25	1:0.18	1:0.17
Events	<b>1:0.47</b>	1:0.61	1:0.90	1:0.74	1:0.74	1:0.63
Conventions, Meetings & Incentive Travel	<b>1:0.75</b>	1:0.53	1:0.50	1:0.40	1:0.33	1:0.18
Total	<b>1:0.30</b>	1:0.37	1:0.47	1:0.34	1:0.36	1:0.27

The results for both National and International Marketing are understated each year because a significant amount of industry support is obtained from joint marketing activities undertaken at the national and international level with the Australian Tourism Commission and at the regional level through local Government investment. These amounts cannot be included in the financial accounts.

**Comment:** While events still generated the greatest amount of private sector revenue, the event ratio fell from 1:0.61 in 2000-2001 to 1:0.47 in 2001-2002 due to the funding the Johnnie Walker Classic golf event for the first time. The event does not generate direct revenue for the WATC.

The decrease reported in the international marketing segment reflects the downturn experienced as a result of global events. The subsequent increase in ratio in the national marketing segment reflects the shift in emphasis and increase in activity after September 11, 2001.

## OUTCOME 2: AN ENHANCED TOURIST INDUSTRY, INFRASTRUCTURE AND PRODUCT BASE

### Effectiveness Indicators

#### 1. Number of infrastructure project sites worked on and progressed to agreed stage

The development of tourism-related infrastructure sites provides valuable assets for the tourism industry and the State in general. Therefore, the more infrastructure assets, the greater the benefit. For this reason, the number of sites progressed is included as an indicator of effectiveness for the outcome of tourism development.

It should be noted that while the WATC has significant influence over the progress of identified infrastructure projects, external events outside its control may impact on progress.

Using the Western Australian Tourism Development Strategy as a basis, the WATC identified a number of priority project sites and worked with State and local government agencies to progress planning and approval processes to allow development to proceed.

#### No of Project Sites Progressed to Agreed Stage

Year	Actual
<b>2001-2002</b>	<b>2</b>
2000-2001	6
1999-2000	7
1998-1999	6
1997-1998	3

#### Definitions:

<b>1. Infrastructure site</b>	Refers to a physical location or construction of a tourism-related piece of infrastructure.
<b>2. Agreed stage</b>	Some projects are worked on over a number of years. These projects are divided into stages that represent significant milestones in the project's evolution from conception to completion. "Agreed Stage" is one that has been endorsed by the WA Tourism Commission Board as part of the annual Operational Plan process.

The specific infrastructure projects sites progressed during the year were:

Infrastructure Project	Agreed Stage of Progression
Karijini National Park, safari style accommodation	Gumala contracting has been awarded preferred tenderer status and have commenced construction of stage 1 being powered sites within the Savannah Camping Area. Expected completion date for this stage is Mid 2003.
Kununurra - Accommodation	Land for the Lake Argyle Tourist Village is vested in the WA Tourism Commission with the power to lease. In late 2002 a "request for proposal" process will be undertaken to enable an organisation or individual to lease this from the WATC with a view to enhancing the current accommodation facilities available at this site.

#### 2. Number of tourism products and projects developed

The development of tourism-related products and projects provide tangible and intangible assets for the tourism industry. As with infrastructure assets, the greater the number, the greater the benefit to the industry. For this reason, the number of tourism-related products and projects developed is provided as an indicator of the effectiveness for the outcome of tourism development. The involvement of WATC is to identify, facilitate and ensure the development of these products and projects, either acting as lead agency or participating in a development team led by another Government agency.

This performance indicator relates to the achievement of pre-identified stages within a range of key projects that WATC staff are involved in throughout the state.

It should be noted that while the WATC has significant influence over the development of tourism products and projects, external events outside its control may affect their progress.

**No. of Tourism Products and Projects Developed**

Year	Actual
<b>2001-2002</b>	<b>66</b>
2000-2001	24
1999-2000	29
1998-1999	21
1997-1998	9

**Definitions**

<b>1. Product</b>	means non-infrastructure but physical tourism-related product that can be purchased or used by a consumer or visitor to an area once completed. Examples include a holiday chalet complex, transport tour or interpretive centre.
<b>2. Project</b>	means a significant activity such as a strategy document progressed to completion, or, an element of a significant tourism-related development project, which is not being coordinated by the WATC.
<b>3. Developed</b>	is the term used in relation to products being completed and ready for use by the relevant customers or stakeholders and in the case of projects, where the extent of the services requested from the WATC have been met.

**Comment:** In line with the WATC strategic focus of increasing the amount of tourism product in Western Australia, this has been a satisfactory result. For the complete listing of products and projects see the Report on Operations section in the Annual Report for Outcome 2, Tourism Development.

**3. Level of customer satisfaction with tourism industry development services provided**

WATC provides advice, consultant and advocacy services in relation to research, product development and enterprise professionalism to current and potential industry participants. These processes help to develop the tourism industry by facilitating higher quality tourism attractions, facilities and services and increasing their quantity. The level of satisfaction with this assistance was evaluated by a survey conducted by an independent market research company. The results of the survey are shown in summary below.

The survey is conducted each year during June. A random sample of customers who received a significant level of service during the financial year were contacted by telephone and asked to rate their level of satisfaction with the service provided to them. Respondents were asked to rate various elements of their service using a five-point scale ranging from (5) very satisfied to (1) very dissatisfied or (5) very helpful to (1) very unhelpful. The percentage of respondents who rated the selected elements (4) satisfied or (5) very satisfied are reported. Two of the key elements are shown below.

**Satisfaction With The Services Provided By The Tourism Industry Development Division**

	Exceeded or Met Clients' Expectations	Usefulness of Information Provided
<b>2001-2002</b>	<b>91</b>	<b>91</b>
2000-2001	89	90
1999-2000	96	97
1998-1999	96	96
1997-1998	90	89
1996-1997	92	96

Sample size 230; response rate 53%, +/- 4% estimated error rate at 95% confidence level.

**Comment:** These extremely high results reflect the ongoing commitment to high quality customer service demonstrated by the staff involved in providing the relevant services.

#### 4. Number of Western Australian tourism operators registered and accredited to the national tourism accreditation program

A quality assurance program is being implemented by the WATC in partnership with the Tourism Council of Western Australia (TCWA). The aim of the program is to foster and improve the level of professionalism and standards of service for existing tourism industry operators.

Registration indicates that operators have commenced implementing the required procedures and facilities to meet the requirements of the relevant standards. Accreditation means the operator has met the full requirement of the relevant standards as verified by independent audit.

The number of registered and accredited operators provides an indication of the tourism industry's level of commitment to professionalism and service. A target level of 850 accredited businesses is to be achieved by 20 June 2003.

##### Number of registered and accredited tourism operators as at 30 June 2002

	Accredited Tourism Industry Operators Actual Numbers	Registered Tourism Industry Operators Actual Numbers
<b>2001-2002</b>	<b>503</b>	<b>1,169</b>
2000-2001	461	966
1999-2000	376	839
1998-1999	250	653
1997-1998	145	459
1996-1997	17	320

The cumulative number of registered operators also includes those accredited as all accredited operators are registered.

**Comment:** The number of accredited operators increased by 42, equivalent to a growth of 9 per cent over the number recorded last year. In comparison, registrations increased by 203, rising by 21 per cent. This strong rate of growth bodes well for achieving the industry's objective of enhancing the level of professionalism within the industry through quality accreditation strategies. The enhancement of the program with the inclusion of a dedicated risk management section in light of Public Liability Insurance problems currently being experienced in the tourism industry is expected to generate significantly enhanced conversion of registered operators to Accredited operators in 2002/03.

#### Efficiency Indicators

The efficiency KPIs for the Tourism Development outcome comprise mostly cost per output measures. Some of these are consistent with those reported in previous years, an internal review of activities within Outcome 2 resulted in two outputs, Cost per report and submission and the Value of Tourism Presentations being deleted as discrete outputs and were not measured and reported.

As with Outcome 1, the use of indexes comparing resources utilised to effectiveness measures would be the ideal approach. However, the methodologies required to measure these outcomes are not yet available. Therefore, the following indicators are provided on the basis that although somewhat crude, when assessed as a whole, they do provide some indication of overall efficiency.

##### Efficiency cost measures for various tourism industry development outputs

Indicator Title	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998
Cost per infrastructure project site developed to agreed stage (1)	<b>\$211,615</b>	\$265,197	\$364,568	\$64,119	\$36,217
Cost per tourism product or project developed (2)	<b>\$10,852</b>	\$29,504	\$25,478	\$25,519	\$60,984
Cost per research consultancy (3)	<b>\$161.62</b>	\$80.80	\$38.70	\$55.10	\$46.80
Cost per product development consultancy	<b>\$456.84</b>	\$335.53	\$34.01	\$33.60	\$71.62
Cost per operator accredited to the National Tourism Accreditation Program (4)	<b>\$28,643</b>	\$15,640	\$7,546	\$8,927	\$2,852
Cost per data table (research data table available to industry)	<b>\$9,261</b>	\$6,741	\$3,560	\$3,239	-

- (1) Results for this years cost per stage development reflect the enhanced volume of outputs produced by the Industry Development Team in this year with reduced staffing costs as a result of a number of positions being vacant for an extended period.
- (2) Results for this years cost per tourism product or project developed reflect the enhanced volume of outputs produced by the Industry Development Team in this year with reduced staffing costs as a result of a number of positions being vacant for an extended period.
- (3) The cost per research consultancy increased due to a change of methodology. In earlier years, both external and internal (ie other WATC divisions) consultancies were recorded. From 1 October 2000, only external consultancies were recorded.
- (4) The cost per successful accreditation increased significantly as the number of additional operators accredited in this financial year decreased from 85 last year to 42 with similar resources being devoted to this output. Measures highlighted above have been commenced to redress this in the coming year.

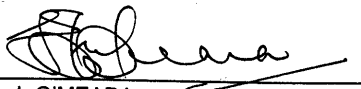
## FINANCIAL STATEMENTS

The accompanying financial statements the Western Australian Tourism Commission have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the transactions for the year ending 30 June 2002 and the financial position as at 30 June 2002.

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

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Alan Mulgrew  
CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION  
30 August 2002



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L O'MEARA  
DEPUTY CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION

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Richard Wilson  
EXECUTIVE DIRECTOR CORPORATE AND BUSINESS SERVICES  
PRINCIPAL ACCOUNTING OFFICER  
30 August 2002