



Report 18: 2022-23 | 27 March 2023

**OPINIONS ON MINISTERIAL NOTIFICATIONS** 

# Tourism WA's Campaign Expenditure



#### Office of the Auditor General Western Australia

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The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

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#### WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

## Opinions on Ministerial Notifications – Tourism WA's Campaign Expenditure

Report 18: 2022-23 27 March 2023 This page is intentionally left blank



THE PRESIDENT LEGISLATIVE COUNCIL

THE SPEAKER LEGISLATIVE ASSEMBLY

#### OPINIONS ON MINISTERIAL NOTIFICATIONS - TOURISM WA'S CAMPAIGN EXPENDITURE

This report has been prepared for submission to Parliament under the provisions of section 24 of the *Auditor General Act 2006*.

It deals with three decisions made by the Minister for Tourism, the Hon Roger Cook MLA, not to provide information to Parliament in relation to:

- Legislative Assembly Question on Notice 576 part c (vi) and (vii) breakdown of advertisement expenditure for the Walking on a Dream – Tourism WA campaign and payments for the commercial use of the Walking on a Dream song
- Legislative Assembly Question on Notice 585 parts (a) and (b) how much the State Government paid for Western Australia to feature in the Amazing Race Australia Season 6 and air Tourism WA's Walking on a Dream campaign on interstate markets
- Legislative Council Question on Notice 1083 parts (b) to (d) funding amounts and the agreement for Bjork to perform Cornucopia at the 2023 Perth Festival and a breakdown of the amount provided towards the 2023 Perth Festival.

CAROLINE SPENCER AUDITOR GENERAL 27 March 2023

#### **Contents**

Minis	sterial decisions not to provide information to Parliament	5
	Introduction	5
	What we did	5
	sterial decision not to provide information about Tourism WA's Walking or im campaign	
	Opinion	6
	Background	6
	Key findings	7
	sterial decision not to provide information about the costs to feature in the Amaz e Australia Season 6	_
	Opinion	8
	Background	8
	Key findings	9
	sterial decision not to provide information about funding for the 2023 Perth Festi Bjork's performance of Cornucopia	
	Opinion	.10
	Background	.10
	Key findings	.11
Anne	endix 1: Parliamentary Question on Notice 576 and response	12

#### Ministerial decisions not to provide information to **Parliament**

#### Introduction

This report deals with three decisions made by the Minister for Tourism, the Hon Roger Cook MLA, not to provide information to Parliament in relation to:

- Legislative Assembly Question on Notice 576 part c (vi) and (vii) breakdown of advertisement expenditure for the Walking on a Dream - Tourism WA campaign and payments for the commercial use of the Walking on a Dream song
- Legislative Assembly Question on Notice 585 parts (a) and (b) how much the State Government paid for Western Australia to feature in the Amazing Race Australia Season 6 and air Tourism WA's Walking on a Dream campaign on interstate markets
- Legislative Council Question on Notice 1083 parts (b) to (d) funding amounts and the agreement for Bjork to perform Cornucopia at the 2023 Perth Festival and a breakdown of the amount provided towards the 2023 Perth Festival.

Section 82 of the Financial Management Act 2006 (FM Act) requires a Minister who decides that it is reasonable and appropriate not to provide certain information to Parliament, to give written notice of the decision to both Houses of Parliament and the Auditor General within 14 days of the decision.

Section 24 of the Auditor General Act 2006 requires the Auditor General to provide an opinion to Parliament as to whether the Minister's decision was reasonable and appropriate.

#### What we did

The Audit Practice Statement on our website (audit.wa.gov.au) sets out the process we follow to arrive at our section 82 opinions, including:

- a review of State government entity documents
- a review of advice provided to the relevant Minister by entities, the State Solicitor's Office or other legal advisers
- interviews with key entity persons including discussions about our draft findings and the Auditor General's opinion.

Our procedures are designed to provide sufficient appropriate evidence to support an independent view to Parliament on the reasonableness and appropriateness of the Minister's decision.

We have not performed an audit; however, our procedures follow the key principles in the Australian Auditing and Assurance Standards.

## Ministerial decision not to provide information about Tourism WA's Walking on a Dream campaign

#### **Opinion**

The decision by the Minister for Tourism (Minister), the Hon Roger Cook MLA, not to provide information to Parliament about the breakdown of advertisement expenditure for the Walking on a Dream – Tourism WA campaign and payments for the commercial use of the Walking on a Dream song was reasonable and therefore appropriate.

#### **Background**

In Parliament on 19 October 2022, Mr Shane Love MLA asked the Minister for information about the campaign Walking on a Dream – Tourism WA in Legislative Assembly Question on Notice 576. Part c (vi) and (vii) requested the following:

- (c) In reference to the campaign "Walking on a dream Tourism WA" (https://www.westernaustralia.com/ au/pages/western-australia-walking-on-a-dream):
  - (vi) Please provide a breakdown of expenditure by print, digital, TV and radio advertisements in the following jurisdictions:
    - (A) Western Australia;
    - (B) Queensland;
    - (C) New South Wales;
    - (D) Victoria;
    - (E) Tasmania;
    - (F) Northern Territory;
    - (G) Australian Capital Territory;
    - (H) South Australia;
    - (I) International total;
    - (J) Singapore;
    - (K) India;
    - (L) United States of America;
    - (M) China;
    - (N) United Kingdom;
  - (vii) Please provide a breakdown of fees and payments to date to any licence holder, producer and/or artist for the commercial use of the song 'Walking on a Dream':
    - (A) Are these fees once off or paid on a royalty basis; and
    - (B) If paid on a royalty basis, please list the cost per annum for each year of the campaign...

On 22 November 2022, the Minister provided a response to part c (vi) (I) but declined to provide information for part c (vi) (A) to (H) and (J) to (N) and (vii), noting:

Tourism Western Australia has assessed that this information is confidential and commercially sensitive and cannot be released. Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the Financial Management Act 2006.

The full transcript of the parliamentary question and the Minister's response is in Appendix 1.

On 28 December 2022, the Auditor General received the Minister's notification of their decision not to provide the requested information in accordance with section 82 of the FM Act.

#### **Key findings**

The decision by the Minister not to provide the requested information in part c (vi) (A) to (H) and (J) to (N) and (vii) was reasonable and therefore appropriate.

The Minister properly sought advice from the Western Australian Tourism Commission (Tourism WA) before responding to the request. Tourism WA recommended the Minister decline to provide the information as it was confidential and commercially sensitive, and its disclosure could cause detriment to the State and its partners.

Tourism WA based its recommendation on an assessment against its Release of Event Sponsorship and/or other Commercial Information Policy and Guidelines. We have found previously this document provides suitable criteria for assessing if information is commercially sensitive.

We determined Tourism WA's advice was generally sound as:

- Tourism WA's Walking on a Dream campaign advertising expenditure and payments for the commercial use of the Walking on a Dream song are not publicly known or easily ascertainable
- other jurisdictions are known to actively compete for tourism and campaign advertising
- other jurisdictions could use the information to inform the development of their advertising campaigns and gain a competitive advantage
- Tourism WA's campaigns could become more expensive if other jurisdictions and media companies knew how much the WA government was willing to pay.

#### Ministerial decision not to provide information about the costs to feature in the Amazing Race Australia Season 6

#### **Opinion**

The decision by the Minister for Tourism (Minister), the Hon Roger Cook MLA, not to provide information to Parliament about how much the State Government paid for Western Australia to feature in the Amazing Race Australia Season 6 and air Tourism WA's Walking on a Dream campaign on interstate markets was reasonable and therefore appropriate.

#### **Background**

In Parliament on 19 October 2022, Mr Shane Love MLA asked the Minister for the following information in the Legislative Assembly Question on Notice 585:

I refer to the Amazing Race Australia, Season 6, which saw teams come to Perth, Fremantle and Broome for legs 19–21 of the race and ask:

- (a) How much did the State Government pay to Channel 10 or Paramount directly in order for Western Australia to feature in the program;
- (b) Did adverts for the "Walking on a Dream" Tourism WA campaign air on interstate markets during the Amazing Race Australia? If yes, what was the specific cost of the ad buy;
- (c) Did the State Government directly provide funding assistance to the following in order to help prepare their businesses / sites for filming:
  - (i) Perth Airport;
  - (ii) Royal Aero Club Jandakot;
  - (iii) Ready Team One;
  - (iv) Optus Stadium;
  - (v) Geronimo Skydive;
  - (vi) Rottnest Island Ferry;
  - (vii) Gage Roads;
  - (viii) Swan Bell Tower Trust;
  - (ix) City of Fremantle;
  - (x) Rottnest Island Authority;
  - (xi) Segway Tours WA operating as Rottnest Island Tours;
  - (xii) Willie Creek Pearl Farm;
  - (xiii) Broome International Airport;
  - (xiv) Sun Pictures Broome; and
  - (xv) Mantra Frangipani Broome; and

For (c), did the Minister have any conflicts of interest and if yes, when were those (d) conflicts of interest declared?

On 22 November 2022, the Minister declined to provide information for parts (a) and (b) but provided information in response to parts (c) and (d), replying:

In relation to the specific cost of the ad buy funding provided by the State Government for individual media partnerships, this has been assessed by Tourism Western Australia (Tourism WA) as being confidential and commercially sensitive.

Disclosure of this would reveal information about the commercial affairs of a State Tourism Organisation and could adversely affect Tourism WA's ability to perform its duties and compromise the negotiation of future contracts.

It is not appropriate to table this information and I will notify the Auditor General's office and both houses of Parliament that this part of the question will not be answered as per Section 82 of the Financial Management Act 2006.

- (c) No
- N/A (d)

On 28 December 2022, the Auditor General received the Minister's notification of their decision not to provide the requested information in accordance with section 82 of the FM Act.

#### **Key findings**

The decision by the Minister not to provide the requested information was reasonable and therefore appropriate.

The Minister properly sought advice from the Western Australian Tourism Commission (Tourism WA) before responding to the request. Tourism WA recommended the Minister decline to provide the information as it was confidential and commercially sensitive, and its disclosure could cause harm to the State and its partners.

Tourism WA based its recommendation on an assessment against its Release of Event Sponsorship and/or other Commercial Information Policy and Guidelines. We have found previously this document provides suitable criteria for assessing if information is commercially sensitive.

We determined Tourism WA's advice was generally sound, as:

- the amount paid for WA to feature in the Amazing Race Australia Season 6 and the cost of the Walking on a Dream ad buy during the program is not publicly known
- other destinations are known to actively compete for tourism and campaign advertising
- other jurisdictions could use the information to inform the development of their advertising campaigns and gain a competitive advantage
- future campaigns could become more expensive if other jurisdictions and media parties knew how much the WA government was willing to pay.

## Ministerial decision not to provide information about funding for the 2023 Perth Festival and Bjork's performance of Cornucopia

#### **Opinion**

The decision by the the Minister for Tourism (Minister), the Hon Roger Cook MLA, not to provide information to Parliament about Tourism WA's funding amounts and its agreement for Bjork to perform Cornucopia at the 2023 Perth Festival and a breakdown of the amount provided towards the 2023 Perth Festival was reasonable and therefore appropriate.

#### **Background**

In Parliament on 27 October 2022, Hon Dr Steve Thomas MLC asked the then Minister for Regional Development, the Hon Alannah MacTiernan MLC, the minister representing the Minister for Tourism, for the following information in the Legislative Council Question on Notice 1083:

I refer to the media statement titled 'Bjork's star power to light up Perth Festival in Australian exclusive', and I ask:

- (a) did Tourism Western Australia and or Lotterywest provide any funding for Bjork to attend the 2023 Perth Festival and perform Cornucopia;
- (b) if yes to (a), how much funding was provided, and will the Minister table a copy of the funding agreement;
- (c) how much funding has Tourism Western Australia and or Lotterywest provided in total towards the 2023 Perth Festival; and
- (d) will the Minister table a breakdown of these costs, and, if not, why not?

On 29 November 2022, the Minister provided an answer to part (a) and declined to provide the information requested in parts (b) to (d), replying:

- (a) Tourism Western Australia advises it is providing funding to Perth Festival who are using those funds towards the headline event for Perth Festival 2023, Bjork's Cornucopia.
- (b-d) In relation to the sponsorship funding agreement between Tourism Western Australia and Perth Festival, Tourism Western Australia has assessed this information as being confidential and commercially sensitive. Disclosure of this would reveal information about the commercial affairs of Perth Festival and could adversely affect those affairs and those of the State. Accordingly, it is not appropriate to table this information. Both houses of Parliament and the Auditor General will be notified that this part of the question will not be answered as per Section 82 of the Financial Management Act 2006.

On 28 December 2022, the Auditor General received the Minister's notification of their decision not to provide the requested information in accordance with section 82 of the FM Act.

#### **Key findings**

The decision by the Minister not to provide the requested information was reasonable and therefore appropriate.

The Minister properly sought advice from the Western Australian Tourism Commission (Tourism WA) before responding to the request. Tourism WA recommended the Minister decline to provide the information as it was confidential and commercially sensitive, and its disclosure could cause commercial harm to the State.

Tourism WA's recommendation was based on an assessment against its Release of Event Sponsorship Information and/or other Commercial Information Policy and Guidelines. We have previously found this document provides suitable criteria for assessing if information is commercially sensitive.

We determined Tourism WA's advice was generally sound, as:

- Tourism WA's funding towards the Perth Festival 2023 and for Bjork to perform, including the funding agreement, are not publicly known. The Minister has previously disclosed<sup>1</sup> that Tourism WA's funding was used for the headline act, but has not disclosed the funding amount
- the global events market is highly competitive and other destinations are known to actively compete to secure them. Bjork's performance of Cornucopia at the 2023 Perth Festival is the only performance location in the southern hemisphere
- the State's ability to successfully negotiate and secure global events could be compromised if other destinations knew how much the WA government was willing to pay.

<sup>&</sup>lt;sup>1</sup> Assembly Estimates Committee A, <u>Division 14: Department of Jobs, Tourism, Science and Innovation – Services 1 to 7, State</u> Development; Jobs and Trade; Tourism; Science; Hydrogen Industry, \$508 912 000, Parliament of Western Australia, Perth, 26 May 2022, pp. 263-278.

## **Appendix 1: Parliamentary Question on Notice 576** and response

On 19 October 2022, Mr Shane Love MLA asked the Minister for Tourism, the Hon Roger Cook MLA, Legislative Assembly Question on Notice 576.

I refer to campaigns under your portfolios as the Minister for Jobs and Trade and Minister for Tourism:

- (a) In reference to the website and campaign "Build a Life in WA" (https://www.buildalifeinwa.com.au/):
  - (i) What was the cost to build this website;
  - (ii) When was the website first conceived as an idea to attract people to WA;
  - (iii) How many unique visitors have been to the website? Please breakdown by country of origin;
  - (iv) How is the website being marketed and how much money is budgeted in total for marketing:
    - (A) Interstate; and
    - (B) Internationally;
  - (v) What is the expected lifetime of the website;
  - (vi) What is the ongoing cost of the website;
  - (vii) Are there key performance indicators for the website, and if yes how will they be tracked; and
  - (viii) How many people have identified the website as a direct reason they have moved to Western Australia, and how is this being quantified by the Department of Jobs, Tourism, Science and Innovation;
- (b) In reference to the website and campaign "Like no other" (https://likenoother.wa.gov.au/):
  - (i) What was the cost to build this website;
  - (ii) When was the website first conceived as an idea to attract people to WA;
  - (iii) How many unique visitors have been to the website? Please breakdown by country of origin;
  - (iv) How is the website being marketed and how much money is budgeted in total for marketing:
    - (A) Interstate; and
    - (B) Internationally;
  - (v) What is the expected lifetime of the website;
  - (vi) What is the ongoing cost of the website;

- (vii) Are there key performance indicators for the website, and if yes how will they be tracked; and
- (viii) How many people have identified the website as a direct reason they have moved to Western Australia, and how is this being quantified by the Department of Jobs, Tourism, Science and Innovation; and
- In reference to the campaign "Walking on a dream Tourism WA" (c) (https://www.westernaustralia.com/au/pages/western-australia-walking-on-adream):
  - (i) What was the cost to build this website:
  - When was the campaign first conceived; (ii)
  - How many unique visitors have been to the website? Please breakdown by country of origin;
  - (iv) What is the expected lifetime of the website;
  - (v) Please provide an annual expected breakdown of the \$15 million budgeted for the campaign, detailing how much has been spent to date;
  - (vi) Please provide a breakdown of expenditure by print, digital, TV and radio advertisements in the following jurisdictions:
    - (A) Western Australia;
    - (B) Queensland;
    - New South Wales; (C)
    - (D) Victoria;
    - (E) Tasmania;
    - (F) Northern Territory;
    - (G) Australian Capital Territory;
    - (H) South Australia;
    - (I) International – total;
    - (J) Singapore;
    - (K) India;
    - (L) United States of America:
    - (M) China;
    - United Kingdom; (N)
  - Please provide a breakdown of fees and payments to date to any licence holder, producer and/or artist for the commercial use of the song 'Walking on a Dream':
    - (A) Are these fees once off or paid on a royalty basis; and

- (B) If paid on a royalty basis, please list the cost per annum for each year of the campaign; and
- (viii) Has there been any commercial agreement to use other songs by or featuring Luke Steele in other Government funded advertisement campaigns:
  - (A) If yes please detail.?

#### Mr R.H. Cook replied:

- (a) The Build a Life in WA campaign is managed by the Department of the Premier and Cabinet. Questions relating to the Build a Life in WA campaign should be directed to the Premier, as the responsible Minister.
- (b) (i) \$18,000 ex GST
  - (ii) The campaign 'Western Australia It's Like No Other' and website, were launched on 15 December 2021.
  - (iii) As at 7 November 2022 1.32million unique visitors, with the top 10 countries:

594,137 India

224,275 Philippines

155,489 Indonesia

119,051 Pakistan

97,089 Vietnam

52,565 Nepal

38,582 Malaysia

11,784 Bhutan

5,660 Hong Kong

5,228 Australia

- (iv) (A) & (B) The website is the digital destination for a variety of marketing activities, and forms a key component of campaign engagement. The marketing campaign 'Western Australia It's Like No Other' generates awareness of Western Australia to an international audience with a spend of \$2.93 million ex GST until the end of 2022 through digital and press advertising. The website is not currently promoted to an interstate audience.
- (v) The website will be utilised for the duration of the "Western Australia—It's like no other" campaign.
- (vi) Cost managed within standard annual operational funding.
- (vii) Yes sessions, engagement rate, user journey, devices used and web traffic by geographic location and language.

- (viii) The purpose of the website it to provide awareness of Western Australia's key pillars for visitors, students, investors and workers; and provide referrals to other platforms under the key pillars. It does not quantify the number of people identifying the website as a direct reason for moving to Western Australia.
- (c) (i)\$878,384 to add significant functional enhancements to Tourism Western Australia's consumer website, westernaustralia.com, and incorporate new "Walking on a Dream" design elements.
  - (ii) October 2021
  - (iii) As at 19 October 2022 and since its soft launch on 1 September 2022, 343,237 unique visitors from:

277,152 Australia

28,136 New Zealand

10,103 Singapore

8,367 United Kingdom

6.342 United States of America

4,665 India

4,592 Germany

3,880 Malaysia

- (iv) 7 years before the website is likely to require a redesign and further enhancements
- (v) 2021-22 - \$1,400,000

2022–23 - \$13,759,712 (budget spent or is committed to be spent)

Total - \$15,159,712

(vi) (A)-(H) Confidentiality of funding amounts spent with media companies across specific media is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future Tourism Western Australia campaigns. Tourism Western Australia has assessed that this information is confidential and commercially sensitive and cannot be released.

> Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the Financial Management Act 2006.

- \$2,000,000 has been committed in 2022–23, with campaign activity (vi) (l) commencing in different international markets at different times of the year.
- (vi) (J)-(N) Confidentiality of funding amounts spent in specific markets is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future Tourism Western Australia campaigns. Tourism Western Australia has assessed

that this information is confidential and commercially sensitive and cannot be released.

Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the Financial Management Act 2006.

(vii) (A)-(B) Confidentiality of negotiations, contract terms and funding amounts is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future Tourism Western Australia campaigns. Tourism Western Australia has assessed that contract information, including the fees and payments to date to any licence holder, producer and/or artist for the commercial use of the song 'Walking on a Dream' is confidential and commercially sensitive and cannot be released.

Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the Financial Management Act 2006.

- (viii) No
  - (A) N/A

#### **Auditor General's 2022-23 reports**

Number	Title	Date tabled
17	Information Systems Audit – State Government 2021-22	22 March 2023
16	Opinions on Ministerial Notifications – Triennial Reports for Griffin Coal and Premier Coal	22 March 2023
15	Opinion on Ministerial Notification – Stamp Duty on the Landgate Building, Midland	8 March 2023
14	Administration of the Perth Parking Levy	16 February 2023
13	Funding of Volunteer Emergency and Fire Services	22 December 2022
12	Financial Audit Results – State Government 2021-22	22 December 2022
11	Compliance with Mining Environmental Conditions	20 December 2022
10	Regulation for Commercial Fishing	7 December 2022
9	Management of Long Stay Patients in Public Hospitals	16 November 2022
8	Forensic Audit Results 2022	16 November 2022
7	Opinion on Ministerial Notification – Tom Price Hospital Redevelopment and Meekatharra Health Centre Business Cases	2 November 2022
6	Compliance Frameworks for Anti-Money Laundering and Counter-Terrorism Financing Obligations	19 October 2022
5	Financial Audit Results – Local Government 2020-21	17 August 2022
4	Payments to Subcontractors Working on State Government Construction Projects	11 August 2022
3	Public Trustee's Administration of Trusts and Deceased Estates	10 August 2022
2	Financial Audit Results – Universities and TAFEs 2021	21 July 2022
1	Opinion on Ministerial Notification – Wooroloo Bushfire Inquiry	18 July 2022

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