2002-2003 ANNUAL REPORT

Western Australian Tourism Commission









Message to the Minister

To the Honourable Bob Kucera APM JP MLA Minister for Tourism

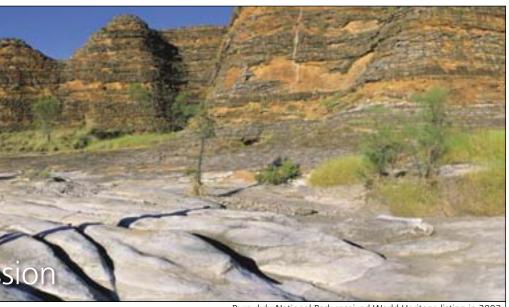
In accordance with the requirements of section 66 of the *Financial Administration Audit Act 1985*, it is my pleasure to submit for your information and presentation to Parliament, the Annual Report of the Western Australian Tourism Commission for the year ended 30 June 2003.

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 29 August 2003



Purnululu National Park received World Heritage listing in 2003

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Western Australian Tourism Commission in Profile



Vision

Make Western Australia the world's natural choice

Mission

Accelerate the sustainable growth of tourism for the long term benefit of Western Australia.

The Pinnacles

Values

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

Trust

We communicate freely, honestly and fairly

Effectiveness and Openness

We provide an open and positive working environment in which everyone can perform his or her tasks effectively

Cooperativeness

We achieve results through hard work at all levels

Innovation

We initiate changes and innovation in order to enhance our performance

Motivation

We encourage, deliver and acknowledge excellence in all aspects of our operation

Customer Focus

We are committed to service excellence exceeding expectations

Respect

We are accountable for the funding and resources invested in us



Western Australian Tourism Commission outcomes and outputs:

The Western Australian Tourism Commission contributes to the government strategic objective of "a growing and diversified economy" by achieving the following outcomes:

- Western Australia is promoted as an attractive destination:
- An enhanced tourist industry, infrastructure and product base.

The outcomes are achieved through the following services (outputs):

- Destination Marketing;
- Event Tourism;
- Convention and Incentive Travel;
- Industry Development;
- Visitor Servicing.



Who we are

The Western Australian Tourism Commission has 163 staff, primarily located in Perth, with national and international marketing staff in Brisbane, Sydney, Melbourne, London, Munich, Singapore, Tokyo and Kuala Lumpur as well as regional managers in Broome, Karratha, Geraldton, Carnarvon, Northam, Kalgoorlie, Mandurah, Bunbury and Albany.

Our clients

The Western Australian Tourism Commission has several main groups of customers, stakeholders and partners:

Travel consumers;

Tourism industry;

Event industry;

General business community;

Government.

Our visitors

In the 2002 calendar year, tourism generated \$3.8 billion in visitor expenditure for Western Australia.

Western Australia recorded 6.8 million domestic visits - including 890,000 interstate visitors - and 560,000 international visitors.

Western Australia's top international markets in 2002 were the United Kingdom, Singapore, Japan, Malaysia and New Zealand.

(Source: Bureau of Tourism Research National and International Visitor Surveys, 2002)

Chairman's Report

The past year has been a difficult one for the tourism industry, with many of the fundamentals that underpin the industry being challenged across our intrastate, interstate and international market sectors.

Western Australia's tourism industry looked to the Western Australian Tourism Commission for leadership and we have responded by aggressively pursuing a package of reforms, in close consultation with our industry partners, which is refining the way in which we do business and strengthening our relationships with our clients and stakeholders.

The Commission adopted a holistic approach involving both short term initiatives, such as those funded through the \$5 million State Government crisis funding to deliver immediate results in response to market shifts, combined with fundamental structural change to establish the Western Australian Tourism Commission as an innovative business with transparent and measurable outcomes.

The initiatives implemented as a result of the Partnership 21 Review in product development, marketing, event tourism and communications have already started to produce positive outcomes.

The final plank in this restructuring agenda was the announcement of the New Concept for State Tourism: A Zone Strategy for Western Australia, whereby the existing ten Regional Tourism Associations will be regrouped under five largely autonomous Regional Tourism Organisations. Importantly, this restructure will result in these five new Regional Tourism Organisations adopting the responsibility for all the intrastate tourism marketing within Western Australia. This major shift in the way tourism around the State is managed will be implemented over a four month window and our objective is for it to be effective as of January 1, 2004.

Our five year strategic plan will be launched in the first quarter of 2003-2004 and will reflect an ambitious approach that will challenge the strategic abilities of the Commission as it consolidates its business model.

This five year strategic plan not only focuses on traditional tourism objectives but also provides guidance on embracing a more inclusive, whole-of-Government and whole-of-business, approach to developing the tourism industry. It recognises that

much greater achievements can be gained for the tourism industry by harnessing the synergies across the economy.

Western Australia has a unique and exciting tourism product and we are increasingly well-positioned to realise our tourism potential. To this end, the Western Australian Tourism Commission will look to review its branding to differentiate Western Australia as a 'must visit' special place, with a tangible difference from other destinations.

It has been a tough year, however much has been achieved by the Commission. I thank the Commission team for a great effort during the year and, in particular, our Chief Executive, Richard Muirhead, and his executive team for their leadership and guidance, without which the achievements over the last year would not have been possible.

I would also like to recognise the assistance of the tourism industry who, as individuals and through their associations, have continued to work collaboratively with the Commission to address the tourism issues that are central to an ongoing viable industry.

Finally, I would also like to thank the Board of Commissioners for their focus and commitment to the raft of issues and reforms addressed throughout the year.



Alan Mulgrew **CHAIRMAN** August 2003



Chief Executive's Report

This year has been a volatile period for the tourism industry with a variety of external influences giving rise to a more uncertain environment for many operators. Declining visitor numbers, globally, resulted in everincreasing competition between Australian States and Territories, and between countries to attract a share of the available tourist dollar.

Over the past year, the Western Australian Tourism Commission has constantly taken the initiative to explore new and different ways to further develop the tourism industry in this State and increase Western Australia's share of the domestic and international tourism markets. In many instances, marketing activities were used to stimulate business for those sectors most affected by the war in Iraq, Severe Acute Respiratory Syndrome (SARS), a reduction in airline capacity and a global economic downturn.

Despite these events, in 2002 tourism was worth \$3.8 billion in direct expenditure to Western Australia. \$2.25 billion of this was new expenditure injected into the State, including an estimated \$1.3 billion of expenditure by international visitors and \$0.9 billion by interstate visitors.

Whilst the tourism industry is increasingly being recognised as a major economic contributor and employer of Western Australians, global events already mentioned continued to erode consumer confidence in travel in the last 12 months.

A contingency initiative known as the National Tourism Crisis Response Plan was developed at the direction of the Tourism Minister's Council in 2002. The implementation of this plan was triggered very soon after, with the outbreak of war in Iraq and the impact of SARS in early 2003.

We worked closely with industry stakeholders as part of this Crisis Response Plan, quickly and efficiently reaching informed decisions and instigating appropriate action. The hallmark of this strategy was close cooperation between all the States and Territories and the Commonwealth in close liaison with industry, resulting in unprecedented information flows to all players. The Western Australian Tourism Commission was a key player in this cooperation and it, along with aggressive and dynamic marketing activities, appears to have paid off.

Within this challenging environment, the comprehensive restructure of the organisation was completed this year. This has allowed us to focus our work areas more closely around our key objectives, draw the different arms of the Commission together and achieve better outcomes as a result of a more holistic approach.

Despite the intense focus that has been necessary on our core activities of Marketing and Communication, Events and Business Tourism and Industry Development and Visitor Servicing, the Western Australian Tourism Commission has been responsible for developing, in conjunction with all stakeholders, *A New Concept for State Tourism: A Zone Strategy for Western Australia*. The outcome of this new initiative, which was finalised only after an unprecedented level of consultation with all stakeholders, will shape tourism in Western Australia in the future.

This, combined with the review of Partnership 21, on which we reported to the industry in November 2002, and the ensuing work on a five year strategic plan has meant that the resources of the Commission have been stretched and I would like to thank all staff and their families who supported them, for their efforts in what has been an exceedingly challenging year.

I would also like to take the opportunity to thank our Board of Commissioners, which whilst constantly challenging the organisation, has been extremely supportive of our endeavours.

The release of our five year Strategic Plan in September 2003 and a study of visitor services across the State will continue to press our capabilities in the year ahead, however we will then have largely completed a major reform agenda driven by our Board which I believe places the Western Australian Tourism Commission and the tourism industry in Western Australia in a firm position to benefit from the challenges ahead.

M

Richard Muirhead

CHIEF EXECUTIVE OFFICER

August 2003



2002-2003 Year in Review

2002-2003 has again been a year of constant challenge for the tourism industry.

The ongoing presence of terrorist threats, the Bali bombings, escalation of war in Iraq and a global health scare brought about through SARS have created unexpected hurdles for an industry still recovering from the events of September 2001.

Destination marketers across the globe have had to revise strategies, moving away from brand and destination marketing to focus on short term tactical activity to drive business to market as a result of global economic uncertainty.

Following on from the successful implementation of its Crisis Marketing Plan developed in September 2001, the Western Australian Tourism Commission took a leadership role, providing the local industry with cooperative marketing opportunities to maintain business during these difficult times.



Food and wine tourism - a growing niche market

International consumer marketing activities planned by the Western Australian Tourism Commission were deferred in favour of domestic marketing campaigns aimed at capitalising on a growing consumer trend to holiday closer to home.

While domestic tourism led the way in 2002, there has been a softening of this market in early 2003.

Competition for events and business tourism has also continued to intensify over the last year. The Western Australian Tourism Commission has aggressively pursued sporting, cultural and conference events. Western Australia achieved a sporting coup in 2003 with a successful bid to host the Australian Surf Lifesaving Championships from 2007-2009.

The Western Australian Tourism Commission was proud to host some 600 delegates in Perth during May 2003 for the Australian Tourism Export Council Symposium. This event was worth more than \$2 million to the local economy and it was the first time this State has hosted the annual event.

2002 - 2003 Annual Report

A major focus for the year has been the development of a new direction to drive regional tourism forward in Western Australia. The New Concept for State Tourism: A Zone Strategy for Western Australia has involved extensive consultation around the State over seven months and has created a template for redefining how the Commission and regional tourism organisations will work together.

The aviation industry has faced downturns in turnover and profit in the last year, an issue of particular importance to a State such as Western Australia which is heavily reliant on air access. However, there have been positive outcomes from this sector in the last year, with some airlines increasing services to Perth.

In the domestic market, Qantas and Virgin Blue have increased their services to and from Perth as well as recognising the potential in regional services between Broome and the eastern capitals of Melbourne and Adelaide.

Domestic capacity has grown to almost match pre-Ansett collapse service levels, however, there is still a shortage of regular passenger transport services on some intrastate routes and in some cases a lack of competition.

Internally, the Western Australian Tourism Commission has completed a major restructure which has streamlined operations and placed an increased focus on partnerships with key industry partners.

The Western Australian Tourism Commission signed a Memorandum of Understanding with the State's Regional Development Commissions (RDCs) which has created a closer alignment. Some of the Western Australian Tourism Commission's regional managers are now being colocated with RDC staff as part of this agreement.

No significant events have occurred after 30 June 2003 to the date of signing this report which would adversely affect the operations of the Western Australian Tourism Commission.



Rugby team captains and international press in Kings Park on the eve of Rugby World Cup 2003

Destination Marketing

The Marketing and Communication Division accelerates growth in the economic value of tourism throughout Western Australia. This is achieved by:

- Developing and implementing marketing and communication strategies to build awareness and desire to visit Western Australia;
- Increasing visitation, yield and dispersal from identified target markets;
- Providing meaningful and actionable research to guide strategies and actions of the Western Australian Tourism Commission, the Western Australian tourism industry and potential participants in the tourism industry;
- Communicating proactively and effectively with industry, government and the people of Western Australia.

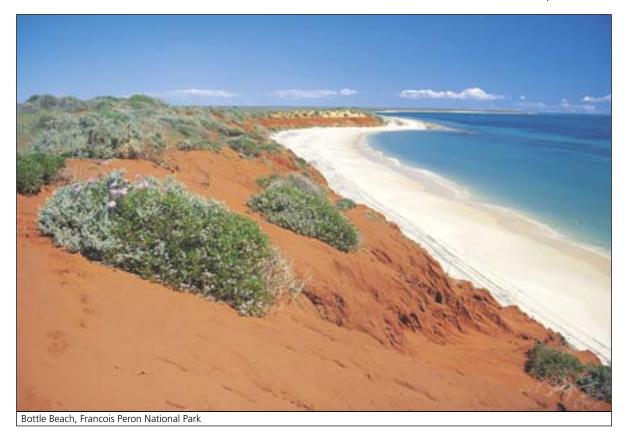
Destination Marketing Overview of 2002 - 2003

Many of the Western Australian Tourism Commission's traditional Brand WA campaigns were placed on hold due to global events in the last year, shifting the focus of international consumer marketing activities to developing consumer awareness through targeted media relations programs and participation at major consumer travel shows.

Through the Western Australian Tourism Commission's media relations activities and participation in the Australian Tourist Commission's Visiting Journalists Program (VJP), the Commission hosted over 188 media visits involving more than 590 influential media visitors during the year.

As the Western Australian Tourism Commission looked to more segmented approaches to intrastate and interstate markets, the online component of marketing activities was increased and new intrastate campaigns were introduced to assist the industry through off peak and shoulder seasons in the metropolitan area and northern regions of the State.

Extensive marketing effort was placed on leveraging Perth's hosting of the Australian Tourism Export Council Symposium to promote the State to this influential audience of 600 inbound tour operators.



Major Destination Marketing Achievements 2002 - 2003

- Gained significant trade exposure for Western
 Australia through hosting the Australian Tourism
 Export Council (ATEC) Symposium in May, with
 600 delegates travelling to Perth. Many also
 visited regional areas on familiarisation tours.
 The event generated approximately \$2 million in
 expenditure in Western Australia.
- Increased the number of familiarisation participants by 300 per cent on the previous year. More than 1000 media and trade representatives were exposed to Western Australia's tourism products and services through the familiarisations program. The Western Australian tourism industry gave strong support to the familiarisation program, providing products and services worth approximately \$2 million.
- Hosted two major trade familiarisations with Virgin Blue and Qantas, with 100 interstate retail travel agents participating to expand their product knowledge of Western Australia.
- Participated in major travel trade events, including an increased presence at the Australian Tourism Exchange as well as promotion of Western Australia at OzTalk 2003, the Malaysian Association of Travel and Tourism Agents (MATTA) consumer fair, the National Association of Travel Agents Singapore (NATAS) consumer fair and caravan and camping consumer shows in eastern states of Australia.
- Increased focus on online marketing, with online elements being added to many marketing campaigns such as Winter Breaks, and initiated redevelopment of the Commission's website, which will be launched in the coming year.
- Took proactive opportunities to market Western
 Australia through events such as the introduction
 of Emirates' services, by conducting marketing
 campaigns in Europe and Dubai.
- Undertook major interstate marketing campaigns with industry partners promoting Perth/Fremantle and Broome, including press, television and outdoor advertising which resulted in increased travel bookings.

- Initiated 'The Great Pamper Package' campaign to raise occupancy rates at metropolitan hotels following consultation with industry partners, Tourism Council Western Australia and Australian Hotels Association (WA).
- Initiated a new northern campaign, 'Magnetic North', to assist in driving intrastate tourism business to the Gascoyne, Mid West, Pilbara and Kimberley regions during shoulder/off peak season of October to March. Some 85 industry partners participated in this campaign.
- Undertook research into the effectiveness of the 2002 Winter Breaks campaign to strengthen the 2003 campaign and increase returns for industry participants. In 2003, Winter Breaks had a dedicated website for the first time, which has proved popular. Booking statistics indicate that the Winter Breaks campaign is worth an estimated \$3 million annually.
- Granted \$219,547 in funding through the Western Australian Regional and Rural Marketing Assistance Scheme to regional tourism operators to increase tourism promotion and new business generation for regional Western Australia.
- Undertook photo shoots in several regions as part of a \$300,000 update of the Commission's image library. An increased number of images will be available online in the coming year, adding to the range and diversity of the image library.
- Secured \$250,000 in Federal funding over three years with the University of Western Australia through the Australian Research Council to undertake consumer segmentation research in Western Australia's priority markets.

Destination Marketing Output Measures 2002-2003 Western Hemisphere:

	Quantity	Quality	Timeliness	Cost
		ng consumer awareness of WA as a desirable t		
	Number of consumer awareness strategies	i) Perceived knowledge: Percentage of people aware of WA as a tourism destination (for category "a lot")	Delivered according to Operational Plan timeframes	Cost per consumer awareness strategy
		ii) Propensity to consider: Percentage of people who will consider a trip WA (for the category of	unienames	
Actual		definitely consider) i) UK Not measured - Campaign deferred		\$3,327,747
Target	1	ii) UK Not measured - Campaign deferred i) UK 5%	100%	\$3,068,141
	1	ii) UK 34%		
	Strategies aimed at raisi	ng trade awareness of WA as a desirable touris	st destination	
	Number of trade	i) Knowledge level of WA tourism products	Delivered according	Cost per trade
	awareness strategies	(using the rating of 8/10 and above) ii) WATC contribution to the current knowledge levels (using the ratings significant and very	to Operational Plan timeframes	awareness strategy
		significant) iii) Likelihood of recommending WA as a holiday destination (using the rating more likely now)		
<u>Actual</u> Target	1 1	i), ii), & iii) Not measured - Campaign deferred i) 70% ii) 70% iii) 50%		\$2,227,229 \$1,436,920
	e			, , ,
	Number of incremental	emental business in cooperation with industry The extent to which visitor expenditure is	Delivered according	Cost per incremental
	business strategies	generated by incremental tourism activities	to Operational Plan timeframes	business strategy
Actual Target	1 1	\$12.23 million \$9 million		\$500,435 \$746,994
larget		The state of the s	10070	¥1+0,55+
		easing tourism product and destinational inforr		
	Number of information enquiries serviced	Level of satisfaction by industry with tourism product and destination information distribution	Delivered according to Operational Plan timeframes	Cost per information enquiry
Actual Target	16,584 15,000			\$17.17 \$18.08
iaiyet	15,000	60 /6	100 /6	\$10.00
	Strategies aimed at increased air	easing international airline access to WA	NA C I . I . I	Contract
	transport seats into WA targeted	Proportion of targeted air transport seats into Western Australia obtained	Meetings held as per Operational Plan timelines	Cost per seat targeted
Actual	6,487	49%		
Target	13200	100%	100%	\$0.60
		of international markets	lo e i e	
	Number of markets reviewed against criteria	Accuracy of reviews	Delivered according to Operational Plan timeframes	Cost per market review
	1.1	100%	100%	\$202
Actual	11			
	11		100%	\$179
			Delivered according to Operational Plan	
Target Actual	Number of educational seminars conducted	Participant satisfaction with educational seminars conducted Not surveyed this year	Delivered according to Operational Plan timeframes	Cost per educational seminar conducted \$3,339
Target Actual	Number of educational seminars conducted	Participant satisfaction with educational seminars conducted Not surveyed this year	Delivered according to Operational Plan timeframes	Cost per educational seminar conducted \$3,339
Target Actual	Number of educational seminars conducted	Participant satisfaction with educational seminars conducted Not surveyed this year 80%	Delivered according to Operational Plan timeframes	Cost per educational seminar conducted \$3,339
Actual Actual Target Actual Target	Number of educational seminars conducted	Participant satisfaction with educational seminars conducted Not surveyed this year 80%	Delivered according to Operational Plan timeframes 100% 100% Proportion of advices provided within	Cost per educational seminar conducted \$3,339
Target Actual	Number of educational seminars conducted 2 2 Policy advice to Government Number of advices	Participant satisfaction with educational seminars conducted Not surveyed this year 80% nent Proportion of first drafts accepted	Delivered according to Operational Plan timeframes 100% 100% Proportion of advices provided within agreed timeframes	Cost per educational seminar conducted \$3,339 \$2,946 Cost per policy advice

Eastern Hemisphere:

	Quantity	Quality	Timeliness	Cost
	Strategies aimed at	raising consumer awareness of WA as a desirable	tourist destination	
	Number of	i) Perceived knowledge: Percentage of people aware	Delivered according	Cost per
		of WA as a tourism destination (for category "a lot")	to Operational Plan timeframes	consumer awareness
		ii) Propensity to consider: Percentage of people who will consider a trip WA (for the category of definitely consider)		strategy
Actual	1	i) S'pore %, (Japan &, Malaysia Not measured - Campaign deferred) ii) S'pore %, (Japan &, Malaysia Not measured -		\$3,044,343
Target	1	Campaign deferred) i) S'pore 8%, Japan 3%, Malaysia 4% ii) S'pore 15%, Japan 2%, Malaysia 15%	100%	\$3,346,805
	Strategies aimed at	raising trade awareness of WA as a desirable tour	ist destination	
	Number of trade	i) Knowledge level of WA tourism products (using	Delivered according	Cost per trade
	awareness strategies	the rating of 8/10 and above)	to Operational Plan	lawareness
		ii) WATC contribution to the current knowledge levels (using the ratings significant and very significant)	timeframes	strategy
		iii) Likelihood of recommending WA as a holiday destination (using the rating more likely now)		
Actual	1	i), ii), & iii) Not measured - Campaign deferred		
Target	1	i) 70% ii) 70% iii) 50%	100%	\$1,168,207
	Strategies aimed at	incremental business in cooperation with industry		
	Number of	The extent to which visitor expenditure is generated	Delivered according	Cost per
	incremental husiness	by incremental tourism activities	to Operational Plan	incremental
		by incremental tourism activities		
	strategies	40.05 ''''	timeframes	business strategy
Actual	1			
Target	1	\$3 million	100%	\$614,288
	Strategies aimed at	increasing tourism product and destinational infor	mation distribution	
	Number of	Level of satisfaction by industry with tourism	Delivered according	Cost per
	information	product and destination information distribution	to Operational Plan	information
		product and destination information distribution		
	enquiries serviced		timeframes	enquiry
Actual	5,867	,	100%	
Target	6,000	80%	100%	\$42.50
	Strategies aimed at	increasing international airline access to WA		
	Number of increased	Proportion of targeted air transport seats into	Meetings held as	Cost per seat
	air transport seats into WA targeted	Western Australia obtained	per Operational Plan timelines	targeted
Actual	6,487	54%		\$6.16
Target	12000			
				4
	Local industry educa	ation of international markets		
	Number of markets	Accuracy of reviews	Delivered according	Cost per market
	reviewed against criteria	,	to Operational Plan timeframes	review
Actual	10			
Target	10	100%	100%	\$213
	•			,)
	Number of educational seminars	Participant satisfaction with educational seminars conducted	Delivered according to Operational Plan	Cost per educational
	conducted		timeframes	seminar
				conducted
Actual	2			
Target	2	80%	100%	\$3,202
	Policy advice to Gov	vernment	<u></u>	
	Number of advices	Proportion of first drafts accepted	Proportion of advices	Cost per policy
		i roportion or mist drafts accepted		Cost per policy
	provided to		provided within agreed	advice
	Government		timeframes	
Actual	72	92.1%	93%	\$181
Target	15	90%	95%	\$759

Australia:

	Quantity	Quality	Timeliness	Cost
	Charles along along all a		A	
	Strategies aimed a	t raising consumer awareness of WA as a desirable Interstate Consumer Awareness -	Delivered according	Cost nor interstate
				Cost per interstate
		s - Perceived Knowledge: Percentage of people aware		consumer awarenes
	strategies	of WA as a holiday destination.	timeframes	strategy
		- Long Trip Preference: Percentage of people with		
		a preference to travel to Western Australia for 3		
		nights or more.		
		- Level of unprompted advertising awareness of		
		Western Australia as a holiday destination.		
Actual		i) %, ii) %, iii) %	100%	\$3,615,562
Target		i) 6%, ii) 18%, iii) 12%		
	-	, , , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , , , , , , , , , ,
	Number of intrastat	e Intrastate Consumer Awareness	Delivered according	Cost per intrastate
		s - Level of unprompted advertising awareness of WA		consumer awarenes
	strategies	as a holiday destination.	timeframes	strategy
	Strategies	- Long Trip Preference: % of Western Australians	timenames	Strategy
		preferring to travel within WA in the next 12		
A . I		months.	1000/	¢002.00
<u>Actual</u>	_	1 i) %, ii) %		
arget		i) 35%, ii) 27%	100%	\$870,84
		t raising trade awareness of WA as a desirable tou		<u> </u>
	Number of trade	Trade Awareness	Delivered according	Cost per trade
	awareness strategie	s - Knowledge levels of WA product	to Operational Plan	awareness strategy
		- WATC's contribution to current knowledge levels	timeframes	
		(rated significant or above)		
		- Likelihood of recommending WA as a holiday		
		destination compared to the previous 12 months		
Actual		i) %, ii) %, iii) %	100%	\$1,985,054
Target		i) 60%, ii) 80%, iii) 70%		
		, , , , , , , , , , , , , , , , , , , ,		4-0./
	Strategies aimed a	t incremental business in cooperation with industry	/	
	Number of	Visitor expenditure generated by tactical campaigns	Delivered according	Cost incremental
	incremental busines		to Operational Plan	business strategy
			timeframes	business strategy
Actual	strategies	1 \$4.871 million		\$847,21
		1 \$4.89 million		
Target		1 \$4.09	1 100 %	\$030,33
	Stratogies simed a	t increasing tourism product and destinational info	umation distribution	
	Number of	Overall level of customer satisfaction with	Delivered according	Cost nor onguin
	11011100101			Cost per enquiry
	information	information assessed	to Operational Plan	serviced
	enquiries serviced		timeframes	
Actual	45,000	Not surveyed this year	. 100%	\$7.08
Target	45,000	80%	100%	\$5.12
		t increasing airline access to WA		
	Number of increase	Proportion of targeted air transport seats into WA	Meetings held as	Cost per seat
	air transport seats		per Operational Plan	targeted
	into WA		timelines	
Actual	246,10	3 100%	100%	\$0.0
arget	3,00			
	, 3,00	100 //	. 30 70	,
	Policy advice to Go	vernment		
	Number of advices	Proportion of first drafts accepted	Proportion of advices	Cost per policy
	provided to	Troportion of first drafts accepted	provided within	advice provided
			1	advice provided
	government	2	agreed timeframes	***
Actual	7			\$21
Target	10	0 90%	95%	\$109

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Event Tourism

EventsCorp, the events division of the Western Australian Tourism Commission, makes a significant contribution to Western Australia through event and business tourism. This is achieved by:

- Identifying and attracting major events to Western Australia;
- Supporting and developing events from idea generation to implementation and, where appropriate, managing and growing events, particularly in regional areas;
- Leveraging tourism, business and media opportunities through events;
- Promoting business tourism.

Event Tourism Overview of 2002 - 2003

EventsCorp supported events that generated an estimated \$35 million in direct expenditure for Western Australia in 2002-2003. In addition, EventsCorp won the hotly-contested bid to host the Australian Surf Lifesaving Championships during 2007-2009. EventsCorp also secured two new major events for 2004 - the Australia and New Zealand Police and Emergency Games and the Australian University Games.

Major events hosted in 2002-2003 included the ILF Lacrosse World Championship, FIH Women's Hockey World Cup, Johnnie Walker Classic, Australia v Ireland Rugby Test, Hyundai Hopman Cup XV, Salomon Masters @ Margaret River and Telstra Rally Australia.

Significant changes have been planned for the 2003 Telstra Rally Australia, with the city stage relocating to Gloucester Park and the event moving to a single service park.

A main focus for the year has been preparing for the biggest international sporting event of 2003 – the Rugby World Cup. A 'whole of government' taskforce was established by EventsCorp, involving local government, tourism and industry bodies, to ensure the city is prepared for this major event in which Perth will host five games over 10 days.

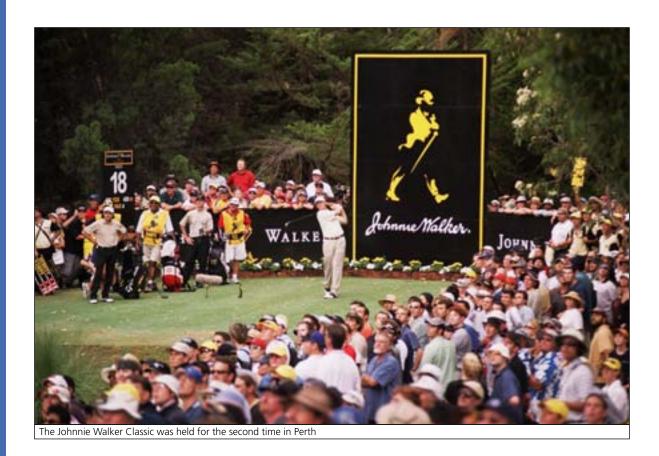
Major Event Tourism achievements 2002-2003

- Achieved an estimated \$35 million economic impact for Western Australia through EventsCorp-funded Best On Earth In Perth events, including the Hyundai Hopman Cup XV, Telstra Rally Australia, Johnnie Walker Classic, FIH Women's World Cup of Hockey, ILF Lacrosse World Championships and Salomon Masters @ Margaret River.
- Gained an estimated \$16.5 million in national and international media exposure for Western Australian events through the broadcasting of EventsCorp-funded Best On Earth In Perth events in key tourism markets.
- Secured three major new events for future years: the Australian Surf Lifesaving Championships in 2007-2009, the 2004 Australia and New Zealand Police and Emergency Games and the 2004 Australian University Games. The surf lifesaving event alone is estimated to be worth \$25 million over the three years that the event is held at Scarborough Beach.
- Reconfirmed Western Australia's commitment
 to Telstra Rally Australia with the signing of
 a new contract with the Confederation of
 Australian Motor Sports Limited (CAMS) that
 ensures Western Australia retains the right to
 stage the Australian round of the World Rally
 Championship for the next 65 years. The new
 contract involves an initial 15 year agreement
 with five 10-year options, and includes a service
 level agreement for CAMS to manage the
 sporting component of the event.
- Exceeded the existing high standard of event management for Telstra Rally Australia, demonstrated by the official Observer's Report of the Federation Internationale de Automobile (FIA) praising the 2002 event: "Telstra Rally Australia 2002 lives up to its high standard that makes it (upon judgement of drivers, teams, FIA officials) the best event of the World Rally Championship."

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- Achieved golfing history by staging the Johnnie Walker Classic at the same venue for two consecutive years. The high standard of the 2002 event at Lake Karrinyup Country Club ensured the events' successful return in February 2003.
- Increased the commitment to regional events in Western Australia through the appointment of a Regional Events Manager and provided financial support through the Regional Events Scheme. Regional events supported in 2002-2003 included Blues at Bridgetown, Crab Fest Mandurah, Respect Yourself Forest Rally, and the Pilbara-based Land Rover G4 Challenge.
- Achieved selection as one of two States to make the Australian bid to host the 2007 World Netball Championships. Western Australia and Queensland are currently into the second round of bidding, with the host city due to be selected in November 2003.

- Strengthened the link between event and business tourism through entering into a five-year contract with the Perth Convention Bureau (PCB) to increase the economic impact of major events and leverage incentive travel business opportunities, complementary exhibitions, meetings and conferences around major events.
- Increased exposure and packaging of tourism product around events by fostering relationships with specialist sports travel operators, particularly around the opportunity offered by Rugby World Cup 2003.
- Established a model for EventsCorp to ensure
 a 'whole of government' approach to planning
 for major events in Perth. The establishment of a
 task force to plan activities and services in Perth
 during the Rugby World Cup, involving local and
 State government bodies, tourism representatives
 and local businesses has been a success and will
 be adopted as a model for the management of
 future major events.



Event Tourism Output Measures 2002-2003:

	Quantity	Quality	Timeliness	Cost
	Attraction of events to	Western Australia		
	Number of bids	Estimated economic impact of successful bids	Bids made for events	Cost per bid
	submitted for events	for events	according to operational	
Actual	4	\$39.6 million	100%	\$196,613
Target	6	\$28 million	100%	\$90,665
	Strategies aimed at rai	sing consumer awareness of WA as a desirab	le tourist destination	
	Number of consumer	Value (\$) of television media coverage in	Proportion of consumer	Cost per consumer
	awareness strategies	selected tourism markets for events hosted	awareness strategies	awareness strategy
	(equates to the number		implemented in	for events hosted
	of events hosted)		conjunction with events hosted	
Actual	4	\$16.7 million	100%	\$150,943
Target	5	\$9 million	100%	\$81,652
Astrol	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	5			
Target		\$44.6 Million	100%	\$2,198,382
	Event product develop	ment		
	Number of event	The value of visitor expenditure generated by	The proportion of event	Cost per event
	products developed	event products.	products developed on	product developed
			time	
Actual	18		100%	
Target	45	\$2 million	100%	\$4,874
	Policy advice to Govern	nment	In	I a
	Number of advices	Proportion of first draft advices to	Proportion of advices to	Cost per policy
	provided to	Government accepted	Government provided	advice
	Government		within the agreed	
			timeframes.	<u> </u>
Actual	327		72%	\$124
Target	100	95%	95%	\$153

Convention and Incentive

The Perth Convention Bureau is contracted by the Western Australian Tourism Commission to accelerate the growth of convention, exhibition and incentive travel business to generate economic benefit for the people of Western Australia and to position Western Australia as the dominant convention, exhibition and incentive travel destination in the Asia Pacific region.

This is achieved through:

- Bidding assistance for national and international conventions;
- Promotional assistance for incentive travel groups and corporate meetings;
- Assisting conferences confirmed for Western Australia to boost delegate attendance;
- Promoting pre and post conference touring activities to increase delegate length of stay.

Convention and Incentive Travel Overview of 2002 - 2003

This year, business travel has been affected by global insecurity and the outbreak of SARS. Corporate meeting and incentive travel business from Asia was hard hit, with group travel almost coming to a stand still during February-May 2003. This triggered a Perth Convention Bureau review of its marketing activity in this region.

Delegate attendance at association conferences held up surprisingly well, although it has been a difficult climate for long haul destinations to win international conferences. The domestic market has remained strong, with some diverted business opportunities as Australian companies chose domestic venues over international locations.

Despite the challenges, results for the year remain solid, with 250 meetings secured. These meetings are estimated to attract 36,230 delegates to Western Australia over the next five years, representing an anticipated 160,700 room nights and \$72.3 million in direct delegate expenditure. This represents an 8.7 per cent increase on the previous year's results.



Major Convention and Incentive Travel Achievements 2002 - 2003

- Launched a \$300,000 private and public sectorfunded program known as the Convention
 Attraction Support Team (CAST), to provide bid assistance to Australian associations aiming to secure conventions attracting more than 900 out-of-state delegates. In its first four months,
 CAST has attracted three national conferences,
 representing an estimated 2,550 delegates and
 \$6.5 million in direct delegate expenditure.
- Conducted a direct mail campaign to 8000
 meeting planners in eastern Australia, New
 Zealand, United Kingdom and Europe,
 encouraging them to meet in Western Australia.
 The 'Put Your Best Foot Forward' campaign
 has to date resulted in 17 new meetings being
 confirmed in Western Australia, involving an
 estimated 879 delegates and \$1.2 million in
 direct delegate expenditure.
- Launched the Western Australian Convention
 Bureau as the vehicle to drive meetings business
 into regional Western Australia. This new division
 has two staff members working in association
 with Regional Tourism Associations.
- Provided a \$10,000 scholarship to the national president of the Australasian Association for Quality in Health Care, who will use the scholarship for travel overseas to promote Perth's credentials as a future host destination for both the annual Asia Pacific Forum on Quality Improvement in Health Care and the annual convention of the International Society for Quality in Health Care.
- Coordinated a Western Australian stand at the annual Asia Pacific Meetings Expo in Melbourne during February 2003. Fifteen Western Australian industry members exhibited on the stand, which had a strong regional presence.

- Represented Western Australia at the Team
 Australia Business Events Educational in Phuket
 in March 2003. This event brought together 86
 buyers from across Asia and 39 Australian sellers
 and provided excellent forward business leads.
- Coordinated the 2002 BankWest Conference
 Development Awards. The winning conference,
 an inaugural international event that will focus
 on genetics and population health, is expected to
 attract more than 250 delegates when it is held
 in Perth in August 2004.
- Produced a 2003-2005 Meeting and Incentive Planners Guide for meeting planners. This comprehensive guide provides information on the State's venues and service providers and for the first time includes a business case for meeting in Western Australia.
- Hosted 113 meeting planners from Italy, Britain, Canada, South Africa, Dubai, Singapore, Indonesia, Taiwan and Australia on site inspections for the State's meeting facilities and tourist attractions.
- Established a research alliance between
 Curtin University of Technology and the Perth
 Convention Bureau to better understand the
 meetings industry. As part of their curriculum,
 students participate in active research programs
 including delegate expenditure research and bid
 development.

Convention and Incentive Travel Output Measures 2002-2003

	Quantity	Quality	Timeliness	Cost
	A44		Libidiana da NACA	
		ncentive travel, conventions and ex		
		Projected visitor expenditure from	Bids for conventions made	Cost per convention
		successful bids for conventions	according to operational	bid
	incentive travel groups		plan timeframes	
Actual	250	\$72.27 million	100%	\$4,263
Target	165	\$81 million	100%	\$5,839
	•			
	Strategies aimed at incre	mental business in cooperation wit	h industry	
	Number of incremental	Actual visitor expenditure from	Proportion of conventions	Cost per incremental
	tourism activities hosted.	incremental tourism activities. ie	held as planned	tourism activity, ie
	ie conventions hosted	conventions hosted	·	convention hosted
Actual	209	\$57.32 million	100%	\$443
Target	131	\$65 million	100%	\$623
	Policy advice to Governn	nent		
	Number of advices	Proportion of first drafts accepted	Proportion of advices	Cost per policy
	provided to government		provided within agreed	advice
			timeframes	
Actual	0	n/a	n/a	\$0
Target	15	90%	95%	



Industry Development

Industry Development ensures the product is in place for visitors to enjoy. This is achieved by:

- Ensuring the environment is right to attract capital investment and re-investment;
- Facilitating the development of new tourism products and enhancing existing ones;

Industry Development includes the Sustainable Industry Sector Development unit, which works to raise the profile of nature-based tourism and to develop niche sector product, such as indigenous tourism, cultural, educational, health and cruise shipping.

Industry Development Overview of 2002 - 2003

One of the key roles of Industry Development is to help ensure the business environment is right for the investment in and development of tourism product. The war in Iraq, the global aviation crisis, the ongoing threat of terrorism, the outbreak of SARS and the downturn in the aviation industry all impacted on investor confidence over the last year, however, as the financial year closed, new opportunities for tourism investment were emerging.

The development of a new regional strategy (the New Concept for State Tourism), driven primarily by the Industry Development team, required intensive consultation, analysis, preparation of reports and presentations to key stakeholders across the entire State over seven months.

This new strategy redefines how the Western Australian Tourism Commission and regional tourism organisations work together to promote the State. Instead of the existing 10 regions, Western Australia will have five distinct tourism regions. The benefits of this strategy will be felt in coming years as the delivery of tourism marketing, development and administration are improved.

As a direct result of the outbreak of SARS, the cruise liner SuperStar Virgo was repositioned from Singapore to Fremantle for temporary home porting. A cruise ship strategy will be developed in order to capitalise on future opportunities that arise from possible home porting.

Major Industry Development Achievements 2002 - 2003

- Developed the New Concept for State Tourism Strategy: A Zone Strategy for Western Australia, which will improve and streamline the marketing of tourism in Western Australia.
- Provided specialist tourism advice and assistance to some 1300 current or potential small tourism businesses.
- Contributed to the National Tourism
 Accreditation Program, which saw a record number of 636 Western Australian tourism businesses accredited over the last year, an increase of 26.4% on the previous year. Funding to develop a strategic plan aimed at further improving customer service standards and processes, and broadening industry participation was provided to Tourism Council Western Australia.
- Developed and launched the Tourism Precinct Program for Northbridge and Fremantle, with \$30,000 provided to the City of Perth and the Fremantle Chamber of Commerce to promote the precincts.
- Strengthened partnerships with the five northern-most Regional Development
 Commissions (RDCs) through a 12-month pilot program to co-locate the Commission's Regional Managers with their relevant RDC.
- Successfully bid to have the Liquor Licensing Regulations 1989 amended to exempt small accommodation providers who provide limited quantities of complimentary liquor to guests as part of weekend or other packages, from the requirement to hold a liquor licence.
- Participated in a whole-of-government insurance working group which has resulted in the creation of the Community Insurance Fund. The Hotham Valley Tourist Railway and others have successfully applied to be insured under this fund.

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- Reviewed and refreshed the Brand WA website and developed a membership database to give licensed users easier access to download logos, icons and other Brand WA imagery.
- Produced two editions of the Tourism
 Development Register, providing a gauge
 of the health of private sector investment in
 accommodation throughout the State.
- Reviewed and published the state wide Tourism Development Plan and completed 11 Regional Tourism Development Plans.
- Contributed to the work of a Ministerial
 Taskforce investigating the impact of
 combining tourist and permanent residential
 accommodation. This Taskforce is seeking to
 create balance and greater flexibility by allowing
 a component of non-tourism development on
 land currently zoned tourism, while continuing
 to provide some protection for land zoned for
 tourism.

- Launched four new environmental tourism packages, including Frogwatch, Kings Park Discovery Walk, Ocean Giants Lookout Kit and the Wildflower Discovery Wheel.
- Initiated an attraction based Tourism
 Development Strategy which will be piloted at Purnululu National Park, recently declared a World Heritage site, to ensure future tourism needs are sustainable and managed appropriately.
- Developed a 'green module' to enhance the National Tourism Accreditation Program in partnership with Tourism Council Western Australia, the World Wide Fund for Nature and the Department of Conservation and Land Management.
- Strengthened international education tourism links by co-locating Perth Education City with the Western Australian Tourism Commission and initiating the development of linkages between mainstream tourism and the education sector.



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Industry Development Output Measures 2002-2003

	Quantity	Quality	Timeliness	Cost
	Stuatonics and planning advise	an identified tourism issues		
	Strategies and planning advice Regional Tourism Development	Produced annually	Provided within agreed	Cost per plan
	Plans reviewed and updated.	Troduced armaany	timeframe	Cost per plan
Actual	11	100%	100%	\$16,948
Target	11	80%	100%	\$11,964
	Tourism investment and jobs	Tourism investment and jobs	In accordance with	Cost per register
	registers	registers produced twice	operational plan	
		yearly	timeframe	
Actual	2	100%	100%	\$46,608
Target	2	100%	100%	\$32,900
	Strategic Tourism Development	Produced annually	In accordance with	Cost per register
		Produced annually		Cost per register
	plans developed		operational plan	
Actual	1	100%	timeframe 100%	\$93,216
Target	1	100%	100%	\$65,800
larget		10070	10070	Ţ \$05,000
	Infrastructure and Product Deve	elopment		
	Number of infrastructure	Value of infrastructure sites	Proportion of	Cost per
	projects worked on	worked on and progressed to	infrastructure sites	infrastructure
	'	the agreed stages	implemented or	site developed to
			produced within agreed	implementation or
			time frame	approval stage
Actual	26	\$203 million	100%	\$23,935
Target	36	> \$50 million	100%	\$12,208
_				
	Number of common good	Level of customer satisfaction	Services delivered in	Cost per information
	information requests processed	with information provided.	according to operational plan timeframes	request
Actual	686	Not surveyed this year.	100%	\$907
Target	500	80%	100%	\$879
		1	Ic :	10
	Number of Products, including	Level of customer satisfaction	Services delivered in	Cost per information
	specialist/sustainable tourism	with products developed.	according to operational	request
A ctual	products developed 40	Not survive dithis year	plan timeframes	\$46.674
Actual Target	24	Not surveyed this year. 80%	100%	\$46,674 \$54,935
larget		80 /6	100 /8	\$34,333
	Implementation of tourism indu	stry professionalism and quali	ty assurance mechanisms	
	Number of additional operators	Number of operators passing	Delivered in accordance	Cost per accredited
	accredited for the National	verification audit under the	with operational plan	operator
	Tourism Industry Accreditation	National Tourism Industry	timeframes	'
	Scheme	Accreditation Scheme		
Actual	134	223	100%	\$4,149
Target	350	166	100%	\$902
	Number of Regional Tourism	Proportion of regional tourism	Delivered according	Cost per intrastate
	Authority contracts managed	authority contract conditions	to Operational Plan	consumer awareness
		met	timeframes	strategy
Actual	10	100%	100%	\$158,775
Target		100%	100%	\$159,354
	Policy advice to Government			
	Number of advices provided to	Proportion of first drafts	Proportion of policy	Cost per policy advice
		accepted	advices provided on time	Cost per policy advice
Actual	Government 645	accepted 95%	98%	\$287
Target	550	90%	95%	\$239
Larget	330	JU /U	J J / 0	ر دعب

Visitor Servicing

Visitor Servicing ensures the provision of destination and product information and booking facilities throughout Western Australia to increase the likelihood of visitors increasing their length of stay.

Visitor Servicing is made up of two key areas:

- Western Australian Tourism Network;
- Western Australian Visitor Centre.

The Western Australian Tourism Network provides a framework for visitor servicing to operate efficiently and effectively throughout Western Australia. The Network enables information and bookings to be made using modern technology through the telecommunications system and the Internet including data collection and distribution.

The Western Australian Visitor Centre is the centrally-located retail arm and public face of the Commission. It operates as a retail travel agency specialising in the promotion and sale of Western Australian holiday product to visitors with an efficient booking and information centre through the visitor centre and the telephone call centre.

The Western Australian Visitor Centre also provides an important promotional distribution point for Western Australian tourism product providers, many of whom are small businesses, and do not have access to mainstream tourism distribution channels.

Visitor Servicing Overview of 2002 - 2003

The implementation of a Virtual Call Centre has resulted in many calls being distributed to regional Network Visitor Centres, improving opportunities to provide localised information. As a result of this new service, the Western Australian Visitor Centre has seen a decrease in the number of contacts received over the last year, however additional promotional activities helped offset a decline in revenue.

With more calls now being handled by Western Australian Tourism Network Centres, the Western Australian Visitor Centre handled 81,589 telephone calls this year, compared with 118,562 in the previous year.

Some 262,461 personal visits were made to the Centre by visitors seeking information on arrival or planning a trip within the State – slightly down on last year's figure. In addition, some 6,078 email enquiries generated by www.westernaustralia.net were handled and 22,260 postage brochure requests were fulfilled.

To counter some of the challenges faced by the decrease in total contacts, the Western Australian Visitor Centre actively promoted its services via airline and other transport offices used by tourists. A purposebuilt mobile visitor information booth was constructed, and the Centre was represented at the Perth Holiday and Travel Show and Johnnie Walker Classic golf tournament. This program of event participation will be expanded in 2003-2004.

A major focus for the Western Australian Tourism Network has been continuous improvement.

In response to feedback that the willingness of operators to participate is increasingly tied to their perception of value, the Western Australian Tourism Network has developed a new price and benefit structure.

More than 90 per cent of members renewed their subscriptions in 2002-2003.

To ensure all Network Visitor Centres are able to take full advantage of the increase in calls through the Virtual Call Centre, the Western Australian Tourism Network, together with the Visitor Centre Association of Western Australia and Central TAFE, implemented a Visitor Centre Staff Training Program focused on the 'Selling of Tourism Products and Service' during the year.

Visitor Servicing Achievements 2002 - 2003

- Initiated a Volunteer Tourist Assistance Officers
 Program that will see tourism volunteers located
 in main visitor arrival points, such as the domestic
 and international airport arrival terminals, East
 Perth railway terminal and tourist coach ranks
 to give tourists basic directions, information and
 provide a welcome to Western Australia.
- Commissioned market research to better understand Western Australia visitor information needs. This research provided information on how intrastate, interstate and international visitors want to access tourist information.
 The results were distributed to Visitor Centres throughout the State.
- Increased the amount of Western Australian data in the Australian Tourism Data Warehouse, which provides information on tourism products to the Australian Tourist Commission website
 www.australia.com - a primary source of travel information for Australia.

- Increased the number of Network Visitor Centres located across Western Australia to 45. These centres provide extensive coverage across the State and feed local tourism information into the PowerTOUR database, which is available to all Network Visitor Centres and the Western Australian Tourism Commission.
- Trained Network Visitor Centre staff members on database management and membership registration.
- Increased membership with 160 new members signed to the Western Australian Tourism Network.
- Increased consumer access to localised travel information through the Virtual Call Centre, which linked callers with relevant Network Visitor Centres throughout the State.



Visitor Servicing Output Measures 2002-2003

18,334

17,216

booked

Actual

Target

	Quantity	Quality	Timeliness	Cost
	Strategies aimed at tourism	product and destinational inform	mation distribution	
	Number of Enquiries serviced	Overall level of customer satisfaction with level of service	Customer satisfaction with timeliness	Cost per enquiry serviced
Actual	359,845	Not surveyed this year.	85%	\$7.45
Target	389,972	80%	80%	\$6.08
	Number of Information enquiries directed to other Virtual Call Centres via the Virtual Call Network	Overall level of customer satisfaction with level of service	Customer satisfaction with timeliness	Cost per enquiry serviced through other Network Visitor Centres
Actual	22,682	Not surveyed this year.	85%	\$13.13
Target	85,000	80%	80%	\$3.10
		ntal tourism business in coopera		
	Number of passengers	Visitor expenditure generated	Customer satisfaction	Cost per passenger

\$19.46 million

\$19.5 million

with timeliness

85%

80%

\$57.99

\$52.04

Outlook for 2003-2004

The industry has faced difficult times in the past year, and the outlook for the coming year is mixed.

Tourism in Western Australia is undergoing an intensive period of change where product quality and service delivery are becoming increasingly important. Attracting tourists in a highly competitive market demands increased levels of ingenuity, flexibility and commitment.

The trend for people to holiday at home and take more frequent short breaks, in tandem with the increasing competition for household discretionary funds, means the Commission will shift its focus from mass media destination marketing to identified target segments to deliver the best return on investment.

The coming year will also see tremendous change through the rollout of the New Concept for State Tourism: A Zone Strategy for Western Australia, as the five new tourism regions simplify and strengthen the promotion of our State's tourism icons and holiday experiences. Increased funding will be available to regional tourism organisations to deliver intrastate marketing activities while the Commission will focus on growing tourism from interstate and international markets.

Greater leveraging of events and business tourism will also assist in building visitor numbers and recognition of our unique tourism icons in the coming year.

Destination Marketing Plans for 2003 - 2004

- Increase marketing focus on gaining wide recognition for Western Australia's tourism icons.
- Increase visitation during shoulder seasons by undertaking targeted, cooperative, retail advertising campaigns with an increasing emphasis on online initiatives.
- Undertake market segmentation research to identify key segments in our priority tourism markets.
- Use targeted trade initiatives to increase trade awareness of Western Australia as a desirable destination with a variety of tourism product.
- Launch online marketplace to improve access to consumer and trade information on tourism in Western Australia and continue growth in use of online marketing through all campaigns.
- Increase focus on the Visiting Journalists Program to increase editorial coverage of Western Australia.
- Identify and attract key tourism trade events to Western Australia.
- Improve the gathering and dissemination of research intelligence to the Western Australian tourism industry.
- Work with other state and territory tourism organisations and the Australian Tourist Commission to better align marketing activities in international markets to increase marketing effectiveness and reduce duplication.

Event Tourism Plans for 2003 - 2004

- Deliver major events scheduled for 2003-2004 which are estimated to contribute about \$30 million in direct expenditure.
- Focus on leveraging events to maximise opportunities to increase visitation to Western Australia.
- Launch an online state-wide calendar encompassing events from across Western Australia.
- Use the inaugural Perth International Golf Tournament in November 2003 to cement Western Australia's reputation as a host of premium golf events.
- Adopt a festival approach to events by clustering complementary activities around major events ensuring that towns, cities or regions have a festival atmosphere and visitors have more reason to stay longer in Western Australia.
- Work closely with the Perth Convention Bureau
 to secure incentive business tourism for major
 events, and work in partnership with the Perth
 Convention and Exhibition Centre and other
 venues to attract major business events around
 the time of sporting and cultural events.
- Start development of one to two iconic events that will be clearly identifiable with Western Australia.
- Increase focus on attracting national events such as the Australian Surf Lifesaving Championships.
- Rebrand the Best On Earth In Perth program to achieve better market impact.

Convention and Incentive Travel Plans for 2003 - 2004

- Educate, motivate and assist local hosts to bid for conventions.
- Target high-yield Asian incentive travel and corporate meetings.
- Continue to raise the profile of the meetings industry and broaden the industry membership base by promoting the opportunities presented by the completion of the Perth Convention and Exhibition Centre.
- Develop a new market research program for meeting planners to help organisers assess the level of interest among their delegates and maximise attendance at confirmed events.
- Undertake an extensive customer relationship management program focusing on the 10 most prominent Western Australian industry sectors and help them bid for their association conferences.
- Extend the successful local host program into regional Western Australia under the banner of the Western Australian Convention Bureau.
- Undertake a media campaign for International Super Tourist Day in August 2003 to promote the fact that business tourists are 'super tourists', spending up to eight times more than the average visitor.
- Continue to work with Curtin University of Technology on research studies into the meetings industry.

Industry Development Plans for 2003 - 2004

- Identify and map major tourism development opportunities, evaluate the infrastructure required and undertake some pre-feasibility studies for eventual distribution to potential developers.
- Plan for the development of clusters of small businesses around strategically important locations, in conjunction with relevant agencies.
- Complete and implement a strategic plan for the National Tourism Accreditation Program in Western Australia, in association with Tourism Council Western Australia.
- Initiate development of a Tourism Investment Link Western Australia, which will be a one-stop shop for new tourism businesses for specialist tourism development advice. As part of this initiative, a 'quick start CD quide' will be developed.
- Provide advice and assistance to potential and existing tourism businesses on business planning and management, tourism product development, and distribution strategies to enhance and build capacity. There will be a focus on tourism product in icon and iconic-experience areas.
- Work with the newly formed Regional Tourism
 Organisations to identify product development
 opportunities and possible funding through the
 New Concept for State Tourism competitive
 funding arrangements and other funding sources.
- Provide up-to-date information on investment opportunities, research and other data that will promote the development of tourism product.
- Develop a niche product development plan to focus on new and innovative ways to support niche product sectors.
- Develop an Aboriginal Tourism Marketing Strategy in partnership with the Western Australian Indigenous Tourism Operators Committee to establish the State as a leader in delivering Aboriginal cultural experiences.
- Finalise and implement the Cultural Tourism
 Strategy with a special focus on the inaugural
 Australian Cultural Tourism Conference to be
 held in Western Australia during February 2004.

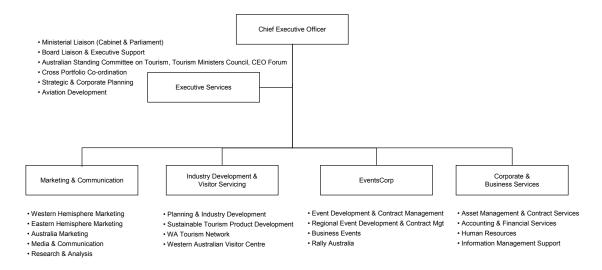
Visitor Servicing Plans for 2003 - 2004

- Refurbish the Western Australian Visitor Centre to better reflect tourism experiences in Western Australia.
- Implement the Volunteers Tourist Assistance
 Officers Program, West Oz Welcomers, and
 introduce an ongoing recruitment and training
 scheme to attract a large pool of volunteers.
- Develop a pilot program for tourism operators, in conjunction with the Small Business
 Development Corporation, to enhance skills and business acumen.
- Further develop tourism information opportunities by using Western Australian Visitor Centre staff and West Oz Welcomers volunteers to provide information at mobile visitor information booths during major events.
- Increase new memberships to the Western
 Australian Tourism Network across core
 (accommodation, tours and hire) and non-core
 (attractions, retail and restaurants) areas.
- Initiate a working group involving local government, regional tourism organisations,
 Network Visitor Centres and Tourism Council
 Western Australia to initiate and complete a state wide Visitor Servicing Study.
- Introduce a tourism monitoring service in regional areas to collect statistical information and provide strategic data to participating tourism operators, visitor centres and the Western Australian Tourism Commission.
- Initiate improvements to the Country Visitor
 Centre Sustainability Enhancement Scheme
 (CVCSES) to raise the level of services available to
 visitors through Visitor Centres.

Our People

The Western Australian Tourism Commission has 163 staff, primarily located in Perth. The majority of staff are located at head office or at the Western Australian Visitor Centre, however the Commission also has regional managers in Broome, Karratha, Geraldton, Northam, Carnarvon, Kalgoorlie, Mandurah, Bunbury and Albany as well as national and international marketing staff in Brisbane, Sydney, Melbourne, London, Munich, Singapore, Tokyo and Kuala Lumpur.

Western Australian Tourism Commission Organisational Chart



Executive Management Team

The Chief Executive Officer, Richard Muirhead, together with the four Executive Directors:

- · Marketing and Communication Rick Thomas,
- EventsCorp Madeleine Bertelli,
- Industry Development & Visitor Servicing Paolo Amaranti, and
- Corporate and Business Services Richard Wilson,

form the Executive Management Team (EMT). In addition, two other managers join EMT on six-monthly rotations.

During 2002-2003, the Manager of Research and Analysis, Jane Seman, and Strategic and Corporate Planner, Janis Carren, served on EMT. Chief Information Officer, Kim Denham, and Director of Industry Development, David Etherton, are currently on EMT.

Employee Profile

Employee profile indicators for 30 June 2003 are as follows:

Classification Level	Full Time Equivalents	Males (%)	Female (%)
Level 9& above	5	80	20
Level 8	7	86	14
Level 7	7	43	57
Level 6	18.1	63	37
Level 5	23.8	60	40
Level 4	19.2	34	66
Level 3	21.3	36	64
Level 2/4	0.5	0	100
Level 2	41.1	10	90
Level 1	7.8	30	70
Overseas	12	17	83
TOTAL	162.8	36	64

Note:

- » Excludes casuals, employees seconded-out, employees on leave without pay, seconded-in personnel not paid by the Commission and short term staff engaged for Telstra Rally Australia.
- » Includes seconded-in personnel paid by the Commission.

Equal Opportunity and Valuing Diversity

The Western Australian Tourism Commission maintained its commitment to the promotion and improvement of equal employment opportunity and diversity. With considerable recruitment and selection activity occurring during the year as part of the implementation of the organisational restructure, a focus was placed on ensuring adherence to equity principles.

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 has varied from a few weeks up to six months.

Chairman's scholarships totalling \$20,000 were awarded to 16 employees to help cover the costs of a recognised course of study at University or TAFE. Studies undertaken included marketing, commerce and ecotourism subjects. Each year, scholarships are offered to current employees to ensure the Commission equips employees with the skills and expertise needed to drive our industry into the future.

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

Work experience opportunities and structured graduate/undergraduate student placements are also part of the Commission's development program and are designed to assist individuals considering a career in the broader tourism industry.

Safe Working Environment

The Commission continued to promote a safe and healthy work environment, with particular significance given to training all staff at the Perth Head Office and the Western Australian Visitor Centre on 'what to do in an emergency'.

Occupational safety and health indicators for 2002-2003 are as follows:

Number of lost time injuries/diseases	2
Duration rate (days)	68.5 days
Number of workers' compensation claims	3

Public Sector Standards

In accordance with section 31(1) of the *Public Sector Management Act 1994*, the Western Australian Tourism Commission 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 Commission 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 Commission's intranet.

The Commission's Code of Conduct was adopted in 1998 to complement the Western Australian Public Sector Code of Ethics. The Code of Conduct is distributed to all employees and is also incorporated as part of the Commission's policy framework. A review of this Code of Conduct was initiated in May 2003, with completion planned for early in the 2003-2004 financial year.

The number of applications for breach of standard and corresponding outcomes for 2002-2003 was:

Number lodged	0
Number of material breaches found	0

Leave Liability

Leave liability indicators for 2002-2003 are as follows:

Average annual leave weeks per FTE	3.8
Average long service leave weeks per FTE	2.6

Note:

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

Industrial Framework

The Commission's industrial agreement, the Government Officers' Salaries, Allowances and Conditions General Agreement of 2002, continued to operate throughout the year and is not due to expire until 31 December 2003. This agreement restores parity of pay and conditions for employees in the Commission and like employees within the broader Western Australian public sector.

Corporate Governance

Enabling Legislation

The Western Australian Tourism Commission is established under the Western Australian Tourism Commission Act 1983 ("The Act"). The Minister responsible for the Commission is the Minister for Tourism; Small Business; Sport & Recreation; Peel and the South West.

The Act provides for the establishment of a governing Board of eight members appointed by the Governor, one of whom is appointed by the Governor as Chairman.

The Act provides the functions (Section 13) of the Commission and the necessary powers (Section 14) to undertake and fulfil those functions.

Board Function

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

Board Members

Alan Mulgrew (Chair)

Alan Mulgrew (Principal) established Airstrat Partnership Pty Ltd in 1997 as a corporate advisory company specialising 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. During the time that Mr Mulgrew headed up Perth and Sydney Airports, both organisations underwent wide-reaching reforms that both modernised and established the airports as strong commercial businesses.

Laurie O'Meara (Deputy Chair)

Laurie O'Meara is the past-president of the Tourism Council Western Australia and a champion of tourism accreditation. Mr O'Meara is the current President of the Australian Tourism Accreditation Association and the deputy chair of the Rottnest Island Authority Board. His extensive experience includes operating 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 also 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. She is also on the Board of the Australian Research Council. Mrs Holmes à Court has been widely recognised 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 Australian Council of Trade Unions (ACTU) and Chair of the ACTU's women's committee. She is the former State Secretary and current National President of the Australian Liquor, Hospitality and Miscellaneous Worker's Union. Ms Creed is a published author, writing particularly in the areas of industrial relations and social welfare and has served on the Western Australian Tourism Commission Board previously from June 1992 to January 1994.

2002 - 2003 **Annual Report** Vestern Australian Tourism Commissior

Ian Mitchell

Ian 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

Sonja 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, including 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 KTA's executive committee.

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 State President of the Western Australian Branch of the Australian Hotels Association since 1992 and was awarded life membership in 1997. As the licensee of the Subiaco Hotel, Mr Monaghan employs over 100 people.

Anthony Quahe

Anthony Quahe is a Partner with legal firm Wojtowicz Kelly. He qualified as a lawyer in 1983 and has extensive legal experience in the areas of commercial dispute resolution, trade practices, intellectual property and company and commercial work. Mr Quahe also has management experience and an accounting qualification. He speaks Mandarin and was the Chairman of the Celebrate WA Council from 1997 until 2001 and was a Council Member of the Western Australian Chinese Chamber of Commerce from 1996 until 2000.

Ross Hughes

Ross Hughes has been a member of the LandCorp Board since 1997 and was the Chairman of the Rottnest Island Authority for seven years until 2001 and was a Senator of Murdoch University for nine years. Mr Hughes' term expired in August, 2002.

Western Australian Tourism Commission Board Meetings and Attendance

	NORMAL MEETINGS		NON COMPULSORY SPECIAL MEETINGS		TOTALS	
	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance
Mulgrew, A Alan	11	11	2	2	13	13
O'Meara, L	11	10	2	1	13	11
Creed, H	11	10	2	2	13	12
Holmes à Court, J	11	10	2	1	13	11
Hughes, R	2	2	0	0	2	2
Mitchell, I	11	8	2	0	13	8
Mitchell, S	11	6	2	0	13	6
Monaghan, M	11	9	2	2	13	11
Quahe, A	9	9	2	2	11	11

Declaration of Interests

The Board has a standing declaration of interest process where Board agenda papers are not distributed to those members who have a declared or perceived interest in relation to any matter. In addition to this process, Board members declare other interests from time to time as matters arise.

During 2002-2003, Janet Holmes à Court declared a specific interest in the Indian Ocean Drive, as she has land holdings nearby which could benefit from the road's construction. Anthony Quahe declared a specific interest in the execution of a deed of indemnity for himself by the Board.

Independent External Advice

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

Committees

To assist the Board in achieving the highest standards of corporate governance, the Board members closely involve themselves with the critical areas of the Commission's activities through the establishment of Board Committees.

The Board has established four committees to assist it in the delivery of the Commission objectives and one committee to assist the Board in its financial management and conformance activities.

Board Of Commissioners

The Chief Executive Officer attends all Committees (except for the Rally Australia Board), together with other relevant Executive Directors, as required.

The **Western Australian Tourism Marketing Committee** provides high level strategic advice on the marketing activities of the Commission in domestic and international markets.

The **EventsCorp Committee** undertakes high level strategic consideration of the opportunities to promote Western Australia through major events and the business tourism sector. This committee operates with delegated authority from the Board to ensure that maximum advantage is taken of opportunities as and when they present.

The **Rally Australia Board** oversees the conduct of Rally Australia as a round of the World Rally Championship. Operating with delegated authority, the Rally Australia Board ensures that the event is positioned strategically and maximises opportunities to promote Western Australia and increase new visitors to the State.

The **Nature Based Tourism Advisory Committee** advises the Board on the synergies of our natural assets with tourism product development opportunities and policy-related matters.

The **Finance and Audit Committee** provides additional assurance regarding the quality and reliability of financial information. The committee reviews financial performance and provides advice to the Board on areas of concern. The committee also reviews the activities of the internal auditors and liaises with the Commission's external auditor, the Auditor General of Western Australia. It monitors legal and procedural requirements to ensure that the Commission is complying with all regulatory requirements.

Business Risk

Established procedures at Board and Management level are designed to maintain the Commission's operational viability and to safeguard assets and interests and ensure the integrity of its reporting. These include accounting, financial reporting and internal control procedures and limits, which are subject to internal and external audit review.

Ethical Standards

The Commission's Board acknowledges the need for the highest standard of corporate governance practices and ethical conduct by all members, employees and contractors. The Board has adopted its own code of conduct.

Compliance Statement

The Honourable Bob Kucera APM JP 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 2003. 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 Western Australian Tourism Commission, 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.

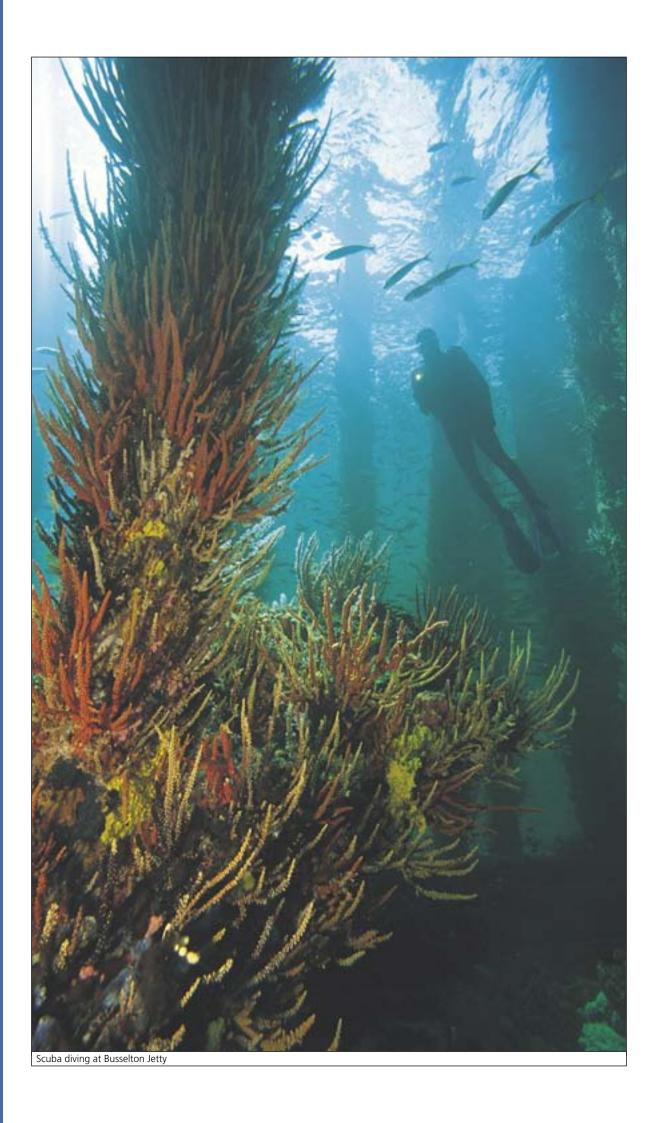


Alan Mulgrew
CHAIRMAN
August 2003

Richard Muirhead

CHIEF EXECUTIVE OFFICER

August 2003



Key Performance Indicators

Certification of Key Performance Indicators

We hereby certify that the performance indicators are based on proper records; are relevant and appropriate for assisting users to assess the Western Australian Tourism Commission's performance, and fairly represent the performance of the Western Australian Tourism Commission for the year ended 30 June 2003.

Alan Mulgrew

CHAIRMAN

Western Australian Tourism Commission 29 August 2003

Laurie O'Meara

DEPUTY CHAIRMAN

Western Australian Tourism Commission 29 August 2003



INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

WESTERN AUSTRALIAN TOURISM COMMISSION PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Western Australian Tourism Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2003.

Scope

The Commission's Role

The Commission is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

D D R PEARSON AUDITOR GENERAL November 19, 2003

Key Performance Indicators

The key performance indicators provide an indication of whether the Western Australian Tourism Commission has achieved the outcomes agreed with government. The two outcomes are:

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

Outcome 1:

Western Australia is promoted as an attractive destination

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

The key performance indicator provides a measure of the extent to which Western Australia's tourism potential is recognised by consumers.

National Market

The data was collected via the Roy Morgan Research Holiday Tracking Survey. 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.

Due to a change in methodology direct comparisons can only be made for the years 2000-2001 to 2002-2003. In January 2000 Roy Morgan Research changed the methodology to increase the sample size by 10,000 respondents, 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 Western Australia, 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

Due to concerns over measurement validity and variability, 'perceived knowledge' (about Western Australia) was discontinued as a measure for the 2002-2003 financial period. It was replaced by 'intentions to travel' (to Western Australia), which is believed to be a superior and more functional measure. 'Intentions to travel' will form the benchmark for future reporting.

1b. Long Trip Preference (Propensity to consider)

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

MARKET	2002-2003 (%)	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
Interstate	15.5	15.8	16.5	28.4	23.9
Intrastate	32.4	31.2	26.0	40.8	38.1

Notes:

- i Definition: The above table represents propensity by people in both the interstate and intrastate markets who would like to spend a holiday of three or more nights in Western Australia in the next two years.
- ii Derivation: Interstate population size of 14.40 million (aged 14+); sample size of 25,454; estimated error rate +/- 0.3% at 95% confidence level.
 - Intrastate population size of 1.58 million (aged 14+); sample size of 2219; estimated error rate +/- 0.9% at 95% confidence level.
- iii Calculation based on 12 month period July June.

In the national market, this indicator measures the destination where people would prefer to go on holidays in Australia. The proportion of residents who would consider Western Australia for a holiday in the next two years remained relatively stable over the past financial year, as evidenced by a marginal decrease of 0.5% amongst interstate residents, and a marginal increase of 0.2% amongst intrastate residents.

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

STATE	2002-2003 (%)	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
WA	17.2	17.6	17.2	29.5	28.2
Qld	39.3	40.0	36.9	55.0	57.6
NSW	27.4	27.5	25.7	26.0	26.4
Vic	23.4	23.2	21.5	22.9	23.3
NT	13.1	14.2	14.0	25.1	25.9
Tas	15.0	14.6	13.3	23.2	23.1
SA	11.7	12.3	11.3	16.5	16.3
ACT	2.9	2.9	2.4	3.3	3.2
Overseas	41.1	39.0	41.7	-	-

Notes:

- i Derivation: Population size of 15.98 million (aged 14+); sample size of 25,454; estimated error rate +/- 0.3% at 95% confidence level.
- ii Calculation based on 12 month period July June.

The introduction of an 'overseas' response option to surveys conducted since January 2001 has produced lower 'preference' figures for many States and Territories. As a consequence of this change in methodology, results obtained after 2000-2001 are not directly comparable to previous years. A positive outcome is that the change in methodology provides a more accurate picture of consumer holiday preferences in terms of both domestic and international destinations. Since 2000-2001, Western Australia has consistently remained the fourth most popular Australian destination for stays of three or more nights, behind Queensland, New South Wales and Victoria.

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

All Other States	2002-2003 (%)	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
Average	8.0	9.4	9.6	8.7	7.0
Peak	11.0	16.8	12.0	12.4	12.6

Notes:

- i Definition: The above table represents the proportion of people in both the interstate and intrastate markets who have read, seen or heard anything on holidays in Western Australia.
- ii Derivation 2002 2003: Population size of 14.39 million (aged 14+); number of respondents is 12,496; estimated error rate +/- 0.4% at 95% confidence level.
- lii Calculation based on 12 month period July June.

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. The average level of advertising awareness for Western Australia as a holiday destination amongst interstate residents decreased by 1.4% over the previous financial year. Similarly, peak advertising awareness levels amongst interstate residents also experienced a significant decrease of 5.2%. Much of this decrease can be attributed to the spike in interstate advertising activity which occurred in the 2001-2002 financial period, as a response to the Ansett collapse and the September 11 terrorist attacks in the United States. Specifically, 2001-2002 was characterised by increased activity in Brand WA campaigns, the \$100 Million Holiday Sale campaign and the \$5 million crisis funding.

The Western Australian awareness results are based on the proportion of interstate residents who have read, seen or heard anything on holidays in Western Australia from any organisation, not just the Western Australian Tourism Commission. As a result, fluctuations in interstate advertising awareness throughout the year may also reflect other awareness building activities undertaken by tourism operators, such as coach companies, accommodation providers and airlines.

Intrastate

	2002-2003 (%)	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
Average	44.8	47.0	37.3	40.4	33.1
Peak	57.8	69.8	50.6	50.4	59.5

Notes:

- i Derivation: Population size of 1.60 million (aged 14+); number of respondents is 1,275; estimated error rate +/- 1.2% at 95% confidence level.
- ii Calculation based on 12 month period July June.

When compared to the 2001-2002 period, the average level of advertising awareness for Western Australia as a holiday destination amongst intrastate residents decreased by 2.0%, with peak advertising awareness levels decreasing by 12.0%. However, when compared to the 2000-2001 period, favourable increases in unprompted awareness levels were observed.

As stated previously, the sudden and temporary increase in unprompted awareness in the intrastate market during 2001-2002 can largely be attributed to the spike in intrastate advertising activity which occurred during this period in response to the Ansett collapse and the September 11 terrorist attacks in the United States, including increased activity in Brand WA campaigns, the \$100 Million Holiday Sale campaign and the \$5 million crisis funding.

As with the interstate results, it must be kept in mind that Western Australian intrastate awareness results are based on the proportion of intrastate residents who have read, seen or heard anything on holidays in Western Australia from any organisation, not just the Western Australian Tourism Commission. As a consequence, fluctuations in intrastate advertising awareness throughout the year may also reflect other awareness building activities undertaken by tourism operators, such as coach companies, accommodation providers and airlines.

International Market

The data was collected via the NFO Donovan Research Survey. The survey methodology focuses on measuring the consumer's level of knowledge of Western Australia as a holiday destination and propensity to consider Western Australia as a holiday destination, in a target market population that is defined by age and socio-economic status.

Note: Due to international events such as the Severe Acute Respiratory Syndrome pandemic and the Iraq war, the Western Australian Tourism Commission Brand campaign, on which previous benchmark measures have been taken, was not conducted. As a consequence this key performance indicator was not measured in the United Kingdom or Malaysia during 2002-2003.

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

Singapore Market

Rating	2002-2003 (%)	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
A lot	9	4	4	8	3
Quite a bit	22	31	20	23	15
Something	32	38	33	27	35
Very little	30	25	41	40	42
Nothing	8	2	1	2	5

Notes:

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

In regards to the knowledge category 'a lot' the Singapore market has shown a five percentage point increase, however, the remaining categories show a negative shift. As a result of SARS, terrorist activities and the Iraq war, the Western Australian Tourism Commission put all Singapore marketing activity on hold. This adversely affected the results. Campaigns were recommenced towards the end of the year.

United Kingdom Market

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

Malaysia Market

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

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

Singapore Market

Rating	2002-2003 (%)	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
Definitely consider	16	15	13	10	15
Might consider	38	51	35	52	47
Not consider	43	33	44	36	38
Don't know	3	1	8	2	1

Notes:

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

The results show 'propensity to travel' to Western Australia declined overall. This was a result of the events that occurred in the region during the past eight months. The lack of marketing activities in Singapore during the same period was also a factor.

United Kingdom Market

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

Malaysia Market

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

Effectiveness Key Performance Indicator 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.

The key performance indicator measures the level of influence the Western Australian Tourism Commission has on the trade, regarding its awareness of Western Australia's tourism products and its propensity to recommend Western Australia's tourism products to its customers. This is measured via an annual survey, conducted by Patterson Market Research. The trade refers to retail and wholesale travel agents. The national market includes only interstate trade who are serviced by the Western Australian Tourism Commission's interstate sales team. Only agents who were targeted during the year are included in the survey population.

Note: The Western Australian Tourism Commission was advised by the Auditor General's office that the outcomes of past customer satisfaction surveys and the validity of the data was questionable. As a consequence it was agreed not to measure this key performance indicator in 2002-2003. The Western Australian Tourism Commission has reviewed its key performance indicators and will report on the new indicators in 2003-2004.

(a) Knowledge levels of Western Australian product

National market (retail travel agents)

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

International core markets (retail and wholesale travel agents)

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

(b) Western Australian Tourism Commission contribution to the current knowledge levels

National market (retail travel agents)

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

International core markets (retail and wholesale travel agents)

		_		
Rating	2001-2002 (%)	2000-2001 (%)	1999-2000 (%)	1998-1999 (%)
Very significant	30	30	29	38
Significant	64	61	56	46
Insignificant	7	5	14	14
Not at all	0	4	2	2

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

National Market

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

International Market

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

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Effectiveness Key Performance Indicator 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 Western Australian Tourism Commission initiatives are specifically directed at generating additional tourism activity and visitor expenditure. This is known in the industry as "incremental tourism activity" because the additional expenditure in Western Australia 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
2002-2003	21.2	36.3	20.5	57.3	135.3
2001-2002	23.7	42.0	11.6	44.8	122.1
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

Notes:

- i Definition: The results for the Western Australian 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.
- ii An economic impact multiplier was applied to 'hosted events' during 1998-1999 to 2001-2002. The 2002-2003 results reflect direct visitor expenditure and therefore cannot be compared with previous results.

Despite the significant challenges faced by the Western Australian Tourism Commission and industry during the 2002-2003 financial year, the tactical campaign incremental business targets have been exceeded. This is a reflection of the capacity of the Western Australian Tourism Commission to identify and implement appropriate crisis strategies and recovery campaign initiatives to ensure the best possible return on investment for Western Australia.

Expenditure from conventions and incentives hosted rose by \$12.5 million (27.9%) over the previous year, despite the uncertain global conditions which impacted on international attendance.

Visitor expenditure generated by the Western Australian Visitor Centre decreased by 10.5% in 2002-2003, when compared with 2001-2002. This was mainly the result of the new Virtual Call Centre and the downturn in the number of international visitors. The 40 Visitor Centres throughout Western Australia now receive diverted calls through the Virtual Call Centre, and these calls generally result in higher expenditure than general information calls. International visitors are high yield visitors and therefore a decrease in the number of these visitors affects visitor expenditure to a greater degree than domestic visitors.

The 2002-2003 results for events cannot be compared with previous results due to a change in methodology in measuring this indicator. Previously, a multiplier effect was applied to visitor expenditure, with the multiplier being dependent on the industry sector. The measurement of visitor expenditure no longer incorporates the multiplier effect, but now simply equates to the direct visitor expenditure.

Effectiveness Key Performance Indicator 4: The extent to which bids were successful for meetings, incentive travel, conventions and events.

Estimated visitor expenditure generated by successful bids (\$ million)

	Events	Conventions (International)	Conventions (National)	Meetings and Incentives
2002-2003	39.6	20.3	27.1	24.9
2001-2002	44.4	21.6	21.2	23.7
2000-2001	31.9	24.5	28.6	21.4
1999-2000	23.0	19.5	25.0	29.0
1998-1999	55.7	22.8	15.7	21.8

Notes:

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

During 2002-2003, a total of 250 conventions, meetings and incentives were secured, resulting in an estimated \$72.3 million in visitor expenditure. This is a 8.7% increase from 2001-2002. The 27.8% increase in national conventions is mainly attributable to the Perth Convention Bureau's convention attraction support team initiative. Through this initiative the Perth Convention Bureau secured an estimated \$6.5 million in visitor expenditure from conferences with more than 900 out-of-state delegates. Securing international conventions was affected by global insecurity and the outbreak of Severe Acute Respiratory Syndrome, resulting in a 6.0% decrease in estimated visitor expenditure.

The 2002-2003 results for events cannot be compared with previous results due to a change in methodology in measuring this indicator. Previously, a multiplier effect was applied to visitor expenditure, with the multiplier being dependent on the industry sector. The measurement of visitor expenditure no longer incorporates the multiplier effect, but now simply equates to the direct visitor expenditure.

Effectiveness Key Performance Indicator 5: Level of industry support and revenue generated.

Revenue generated through industry support

Market	2002-2003 Support \$	2001-2002 Support \$	2000-2001 Support \$	1999-2000 Support \$	1998-1999 Support \$
National	1,231,493	1,169,426	508,669	727,017	766,927
WA Visitor Centre	730,517	777,277	800,157	886,345	789,876
International	2,200,598	2,349,905	2,732,246	1,775,406	1,577,762
Events	5,242,360	4,777,738	4,415,178	6,404,055	4,061,956
Conventions & Incentive Travel	1,220,321	792,586	550,030	520,969	426,802
Total	10,625,289	9,866,932	9,006,280	10,313,792	7,623,323

Notes:

i Definition: The above table provides details of Wester Australian Tourism Commission'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.

The amount of financial support provided by industry continues to be significant, with \$10.6 million contributed to Western Australian Tourism Commission activities in 2002-2003.

During 2002-2003, the Severe Acute Respiratory Syndrome pandemic and the Iraq war affected the financial support provided by many major operators in market. While industry support was up domestically, a reflection of the increased activity within Australia, international support was down marginally.

The 6.0% decrease in Western Australian Visitor Centre income is due to the decrease in commissions earned on sales. It is slightly offset by an increase from WA Tourism Network memberships. The decrease in commissions is mainly due to the fall in international visitors, who generally spend more than domestic visitors, and the majority of higher revenue calls being diverted through the Virtual Call Centre to other Visitor Centres throughout Western Australia.

Convention and incentive revenue generated through industry support increased 54%. Money provided through the \$5 million crisis fund was used to leverage industry support for programs and industry provided \$100,000 to enable the Convention Attraction Support Team initiative to proceed. This level of revenue is not expected to be repeated in 2003-2004.

Efficiency Key Performance Indicator 1: Total cost of campaigns and activities relative to the level of 'consumer awareness' of Western Australia as an attractive tourist destination.

This efficiency indicator compares 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.

National Market

The consumer index uses the levels of consumer awareness measures as reported for the national markets at Effectiveness Indicator 1. The index is calculated using the following formula:

• The sum of the percentages for the annual average of propensity to consider (preference) and the annual average of level of advertising awareness, divided by two.

National Market:

Year Cost of Resources (\$100,000s)		Consum	er Index	Ratio		
	Interstate Market	Intrastate Market	Interstate Market	Intrastate Market	Interstate Market	Intrastate Market
2002-2003	31.33	15.9	11.7	38.6	1:0.37	1:2.43
2001-2002	55.37	14.67	12.6	39.1	1:0.23	1:2.66
2000-2001	30.50	9.38	13.1	31.7	1:0.43	1:3.37
1999-2000	26.16	8.91	18.6	40.6	1:0.71	1:4.56
1998-1999	27.94	8.66	15.5	35.6	1:0.55	1:4.16

Notes:

i 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.

The interstate cost of resources reversed to normal during 2002-2003, with the crisis funds of 2001-2002 no longer applicable. The intrastate market cost showed a \$123,000 increase in resource cost compared to the previous year, while the consumer index decreased by 0.5. This result is due to the current 'Winter Breaks' campaign which will run until the end of September 2003.

International Market

Note: Due to international events such as the Severe Acute Respiratory Syndrome pandemic and the Iraq war the Western Australian Tourism Commission Brand campaigns, on which previous benchmark measures have been taken, were not conducted. As a consequence this key performance indicator was not measured in the United Kingdom and Malaysia markets during 2002-2003.

The level of awareness measures utilised are those reported for international markets reported in Effectiveness Indicator 1 (consumer awareness of Western Australia as an attractive tourist destination). The Consumer Index is calculated as follows using the individual market survey results:

Consumer Index: The sum of the percentages for perceived knowledge for the category of "something" and above, and propensity to consider the categories of "might consider" and above, divided by two.

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.

Singapore Market

Year	Cost of Resources (\$100,000s)	Consumer Index	Ratio
2002-2003	11.03	58.5	1:5.30
2001-2002	18.73	69.5	1:3.71
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

The decline in the Consumer Index is attributed to the lower marketing spend compared to previous years. The decline in marketing spend during 2002-2003 was directly attributable to the lack of crisis funds that were available in 2001-2002.

United Kingdom Market

Year	Cost of Resources (\$100,000s)	Consumer Index	Ratio
2001-2002	25.31	56.0	1:2.21
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
2001-2002	6.05	65.5	1:10.82
2000-2001	2.6	52.5	1:20.22

Efficiency Key Performance Indicator 2: Total cost of campaigns and activities relative to the level of 'trade awareness' of Western Australia as an attractive tourist destination.

Note: The Western Australian Tourism Commission was advised by the Auditor General's office that the outcomes of past customer satisfaction surveys and the validity of the data was questionable. As a consequence it was agreed not to measure this key performance indicator in 2002-2003. The Western Australian Tourism Commission has reviewed its key performance indicators and will report on the new indicators in 2003-2004.

The ratio compares the resources expended (as measured in hundreds of thousands) in the various 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 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", "Western Australian Tourism Commission contribution to knowledge levels for 'significant' and above" and "Likelihood of recommending Western Australia for a holiday", divided by three.

National Trade Awareness Index

Year	Cost of Resources (\$100,000s)	Trade Awareness Index	Ratio
2001-2002	8.06	57.64	1:7.16
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

Notes:

i 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.

International Trade Awareness Index

Year	Cost of Resources (\$100,000s)	Trade Awareness Index	Ratio
2001-2002	31.92	73.67	1:2.31
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

Efficiency Key Performance Indicator 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 Western Australian Tourism Commission gross operating cost of incremental tourism activity to visitor expenditure generated

Activity	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
WA Visitor Centre	1:5.14	1:4.69	1:4.98	1:8.70	1:8.89
Events hosted	1:2.86	1:3.83	1:4.49	1:5.15	1:4.27
Tactical campaigns	1:5.17	1:3.77	1:4.60	1:4.50	1:3.02

Notes:

- i The results for the Western Australia Visitor Centre have been calculated using the most recent visitor expenditure rates available from the Domestic Tourism Expenditure Research Program.
- ii For events hosted, the 1998-1999 to 2001-2002 measure was 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. An economic impact multiplier was applied to direct expenditure during 1998-1999 to 2001-2002. The multiplier was not applied in 2002-2003 and therefore the 2002-2003 results reflect direct visitor expenditure. As a result the 2002-2003 results can not be compared with previous results.
- iii Tactical campaigns comprise those implemented in national and international markets.

Recovery campaign initiatives implemented across domestic and international markets have generated increased incremental business, resulting in a positive return on investment ratio for Western Australia.

The 2002-2003 results for events cannot be compared with previous results due to a change in methodology in measuring this indicator. Previously, a multiplier effect was applied to visitor expenditure, with the multiplier being dependent on the industry sector. The measurement of visitor expenditure no longer incorporates the multiplier effect, but now simply equates to the direct visitor expenditure.

Efficiency Key Performance Indicator 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 Western Australian Tourism Commission gross operating cost of bidding activities to the estimated visitor expenditure generated by successful bids.

Ratio of \$1 of Western Australian Tourism Commission gross operating cost of bidding activities to the estimated visitor expenditure generated by successful bids

Activity	2002-2003	2001- 2002	2000-2001	1999-2000	1998-1999
Events	1:35.16	1:40.55	1:42.46	1:21.00	1:58.22
Conventions (National and International)	1:49.20	1:53.64	1:65.56	1:53.04	1:44.85
Corporate Meetings and Incentive Travel	1:82.14	1:89.04	1:79.34	1:103.80	1:72.68
Groups					

Notes:

An economic impact multiplier was applied to 'events' during 1998-1999 to 2001-2002. The 2002-2003 results reflect direct visitor expenditure and therefore cannot be compared with previous results.

The results relating to conventions, corporate meetings and incentive travel groups have not changed substantially over the last five years. The 2002-2003 results for events cannot be compared with previous results due to a change in methodology in measuring this indicator. Previously, a multiplier effect was applied to visitor expenditure, with the multiplier being dependent on the industry sector. The measurement of visitor expenditure no longer incorporates the multiplier effect, but now simply equates to the direct visitor expenditure.

Efficiency Key Performance Indicator 5: Ratio of Western Australian Tourism Commission cost to industry support and revenue generated

In line with Western Australian Tourism Commission 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 Western Australian Tourism Commission is able to supplement funding from the State Government to engage in additional promotional and marketing activities for the benefit of Western Australia.

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

Ratio of \$1 of Western Australian Tourism Commission net cost to industry support and revenue generated

Activity	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
National Marketing	1:0.18	1:0.16	1:0.09	1:0.20	1:0.11
WA Visitor Centre	1:0.23	1:0.19	1:0.28	1:0.39	1:0.35
International Marketing	1:0.22	1:0.24	1:0.37	1:0.23	1:0.25
Events	1:0.49	1:0.47	1:0.61	1:0.90	1:0.74
Conventions, Meetings & Incentive Travel	1:1.08	1:0.75	1:0.53	1:0.50	1:0.40
Total	1:0.33	1:0.30	1:0.37	1:0.47	1:0.34

Notes:

i 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 Tourist Commission and at the regional level through local Government investment. These amounts cannot be included in the financial accounts.

The amount of financial support provided by industry continues to be significant, with \$0.33 for every dollar invested by Government.

There was an increase in the Western Australian Visitor Centre ratio compared with 2001-2002, due to the reduction in developmental expenditure associated with the rollout of the WA Tourism Network in 2001-2002. The reduction in expenditure in 2002-2003 more than offset the decrease in revenue.

During 2002-2003, the Severe Acute Respiratory Syndrome pandemic and the Iraq war affected the financial support provided by many major operators in market. While industry support was up domestically, a reflection of the increased activity within Australia, international support was down marginally.

The increase in convention and incentive revenue generated through industry support, described in effectiveness indicator 5, resulted in an increase in the 2002-2003 ratio. As discussed, this level of revenue is not expected to be repeated in 2003-2004.

Outcome 2:

An enhanced tourist industry, infrastructure and product base

Effectiveness Key Performance Indicator 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 Western Australian Tourism Commission has significant influence over the progress of identified infrastructure projects, external events outside its control may impact on progress.

Number of Project Sites Progressed to Agreed Stage

Year	Actual
2002-2003	1
2001-2002	2
2000-2001	6
1999-2000	7
1998-1999	6

Notes:

Definitions:

Infrastructure site Agreed stage

Refers to a physical location or construction of a tourism-related piece of infrastructure. 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 Western Australian 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
Kununurra - Accommodation	Land for the Lake Argyle Tourist Village was vested in the Westerm Australian Tourism Commission with the power to lease. In late 2002, the Department of Land Administration agreed to take over responsibility for the village and embarked on an expression of interest process with the assistance of the Westerm Australian Tourism Commission to offer a longer term lease to an individual or organisation for low key tourism development on the site.

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 the Western Australian Tourism Commission 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 Western Australian Tourism Commission staff are involved in throughout the State.

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

Number of Tourism Products and Projects Developed

Year	Actual
2002-2003	66
2001-2002	66
2000-2001	24
1999-2000	29
1998-1999	21

Notes:

Definitions:

Product A 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.

A significant activity such as a strategy document progressed to completion, or, an element of a significant Project

tourism-related development project, which is not being coordinated by the Western Australian Tourism

Commission.

Developed 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 Western Australian

Tourism Commission have been met.

The Western Australian Tourism Commission participated in the development of a significant number of tourism products and projects in 2002-2003. Key strategic projects throughout the State were progressed by the Western Australian Tourism Commission's team of Regional Managers and the Head Office team. These results include the development of four environmental tourism packages.

Effectiveness Key Performance Indicator 3: Level of customer satisfaction with tourism industry development services provided.

Note: The Western Australian Tourism Commission was advised by the Auditor General's office that the outcomes of past customer satisfaction surveys and the validity of the data was questionable. As a consequence it was agreed not to measure this key performance indicator in 2002-2003. The Western Australian Tourism Commission has reviewed its key performance indicators and will report on the new indicators in 2003-2004.

The level of satisfaction is evaluated by a survey, conducted by an independent market research company. 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
2001-2002	91	91
2000-2001	89	90
1999-2000	96	97
1998-1999	96	96

Effectiveness Key Performance Indicator 4: Number of Western Australian tourism operators registered and accredited to the national tourism accreditation program.

The aim of the quality assurance 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.

Number of registered and accredited tourism operators

	Accredited Tourism Industry Operators Actual Numbers	Registered Tourism Industry Operators Actual Numbers
2002-2003	637	1,392
2001-2002	503	1,169
2000-2001	461	966
1999-2000	376	839
1998-1999	250	653

Notes:

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

During the course of the year registered tourism industry operators increased by 19.1% and the number of accredited operators grew by 26.4%, indicating steady progress with this program. In total, 45.7% of registered tourism industry operators are accredited compared with 43.0% in the previous year.

Efficiency Indicators

The efficiency key performance indicators comprise mostly of cost per output measures. 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. The Western Australian Tourism Commission has reviewed its Key Performance Indicators and will be reporting more refined measures for 2003-2004.

Efficiency cost measures for various tourism industry development outputs

Indicator Title	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
Cost per infrastructure project site developed to agreed stage (i)	\$115,974	\$211,615	\$265,197	\$364,568	\$64,119
Cost per tourism product or project developed (ii)	\$12,300	\$10,852	\$29,504	\$25,478	\$25,519
Cost per research consultancy (iii)	\$156.92	\$161.62	\$80.80	\$38.70	\$55.10
Cost per product development consultancy	\$499.02	\$456.84	\$335.53	\$34.01	\$33.60
Cost per operator accredited to the National Tourism Accreditation Program (iv)	\$10,386	\$28,643	\$15,640	\$7,546	\$8,927
Cost per infrastructure or product plan reviewed	\$80,219	76,367	-	-	-
Cost per data table (research data table available to industry)	\$5,449	\$9,261	\$6,741	\$3,560	\$3,239

Notes:

- (i) 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.
- (ii) 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.
- (iii) The cost per research consultancy increased due to a change of methodology. In earlier years, both external and internal (ie other Western Australian Tourism Commission divisions) consultancies were recorded. From 1 October 2000, only external consultancies were recorded.
- (iv) 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

Certification of Financial Statements for the year ended 30 June 2003

The accompanying financial statements of 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 financial transactions for the year ended 30 June 2003 and the financial position as at 30 June 2003.

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

Alan Mulgrew

CHAIRMAN

Western Australian Tourism Commission 29 August 2003

Laurie O'Meara

DEPUTY CHAIRMAN

Western Australian Tourism Commission 29 August 2003

Richard Wilson

EXECUTIVE DIRECTOR,

Corporate And Business Services Principal Accounting Officer 29 August 2003



INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

WESTERN AUSTRALIAN TOURISM COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion,

- (i) the controls exercised by the Western Australian Tourism Commission provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Commission's Role

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON AUDITOR GENERAL November 19, 2003

WESTERN AUSTRALIAN TOURISM COMMISSION STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$'000	2002 \$'000
COST OF SERVICES		\$ 000	\$ 000
Expenses from Ordinary Activities			
Administration Expenses	2	5,854	5,046
Advertising and Promotion Expenses	3	10,400	13,607
Borrowing Costs Expense	4	1	3
Capital User Charge	5	450	426
Contract for Service – Perth Convention Bureau	11	1,010	1,010
Depreciation Expense	6	424	416
Doubtful Debts Expense		10	35
Employee Expenses	7	10,461	8,888
Event Operation Expenses	8	13,512	12,591
Grants for Tourist Facilities and Organisations	9	2,397	2,752
Office Accommodation and Equipment Rental Expenses	10	1,488	1,515
Total Cost of Services		46,007	46,289
Revenues from Ordinary Activities			
Revenue from Operating Activities			
Event Operations	8	5,143	4,758
Industry Contribution	12	3,716	3,496
Travel Agents' Commission	14	460	529
Other Revenue from Ordinary Activities	15	460 476	543
Other Revenue Horn Ordinary Activities	13	476	545
Revenue from Non-operating Activities			
Interest Revenue		316	322
Proceeds from Disposal of Non-Current Assets	13	12	7
Total Revenues from Ordinary Activities		10,123	9,655
•		•	· · · · ·
NET COST OF SERVICES		35,884	36,634
REVENUES FROM STATE GOVERNMENT			
	16	25 440	33,015
Output Appropriation Grants Received	10	35,410	•
		-	3,000
Transfers to Other Agencies	16.20	-	(2,956)
Resources Received Free-of-Charge	16,28	58	52
Transfer to Rottnest Island Authority	16	(1,727)	(1,015)
Total Revenues from State Government	16	33,741	32,096
CHANGE IN NET ASSETS		(2,143)	(4,538)
Net increase (decrease) in Asset Revaluation Reserve		(110)	10
Total changes in equity other than those resulting from transactions with WA State Government as owners		(2,253)	(4,528)

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

002 - 2003 **Annual Report** Vestern Australian Tourism Commission

WESTERN AUSTRALIAN TOURISM COMMISSION STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2003

	Note	2003	2002
		\$'000	\$'000
CURRENT ASSETS			
Cash Assets	27	4,159	3,519
Restricted Cash Assets	17,27	116	152
Receivables	18	994	4,683
Amounts Receivable for Outputs	19	424	424
Other Assets	20	3,105	1,965
Total Current Assets		8,798	10,743
NON-CURRENT ASSETS			
Land	21	2,530	2,640
Leasehold Improvements	21	92	152
Furniture, Fittings and Equipment	21	307	310
Computer Equipment	21	434	458
Total Non-Current Assets		3,363	3,560
Total Assets		12,161	14,303
CURRENT LIABILITIES			
Payables	22	718	232
Interest-bearing Liabilities	23	-	27
Provisions	24	1,429	1,139
Other Liabilities	25	3,501	4,433
Total Current Liabilities		5,648	5,831
NON-CURRENT LIABILITIES			
Provisions	24	2,760	2,493
Total Non-Current Liabilities		2,760	2,493
Total Liabilities		8,408	8,324
NET ASSETS		3,753	5,979
		5,755	5,575
EQUITY Contributed Equity	26	F00	482
Reserves	26	509	482 2,640
Accumulated Surplus	26	2,530	
	20	714	2,857
Total Equity		3,753	5,979

WESTERN AUSTRALIAN TOURISM COMMISSION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

N	lote	2003 Inflows (Outflows) \$'000	2002 Inflows (Outflows) \$'000
CASH FLOWS FROM STATE GOVERNMENT			(00::::01:3) + 000
Output Appropriation		35,013	33,073
Holding Account Drawdowns		424	· -
Transfers from/(to) Other Agencies		3,000	(2,944)
Transfer to Rottnest Island Authority		(1,727)	(1,015)
Net Cash Provided by State Government		36,710	29,114
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee Costs		(9,710)	(8,493)
Borrowing Costs		(1)	(3)
Capital User Charge		(450)	(426)
Event Operations Costs		(12,796)	(12,125)
Marketing Costs		(7,973)	(11,120)
Payments to Travel Operators		(4,027)	(4,822)
GST Payments on Purchases		(2,827)	(2,700)
GST Payments to Taxation Authority		(981)	(715)
Other Payments		(10,720)	(10,898)
Receipts			
Event Operations		3,444	2,880
Industry Contributions		1,706	1,631
Interest Received		320	335
Travel Centre Revenue		4,448	5,384
GST Receipts on Sales		597	552
GST Receipts from Taxation Authority		2,677	2,798
Other Receipts		547	534
Net Cash Provided by/(used in) Operating Activities		(35,746)	(37,188)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Current Physical Assets		(345)	(329)
Proceeds from Sale of Non-Current Physical Assets		12	7
Proceeds from Loans – Hotham Valley Tourist Railway		-	12
Net Cash provided by/(used in) Investing Activities		(333)	(310)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(27)	(33)
Net Cash used in Financing Activities		(27)	(33)
Net Increase/(Decrease) in Cash Held		604	(8,417)
Cash assets at the beginning of the financial year		3,671	12,088
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	27	4,275	3,671

2002 - 2003 **Annual Report** Western Australian Tourism Commission

WESTERN AUSTRALIAN TOURISM COMMISSION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1. Significant Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated, these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act 1985 and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Output Appropriations

Output Appropriations are recognised as revenues in the period in which the Western Australian Tourism Commission gains control of the appropriated funds. The Western Australian Tourism Commission gains control of appropriated funds at the time those funds are deposited into the Western Australian Tourism Commission's bank account or credited to the holding account held at the Department of Treasury and Finance.

(b) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

(c) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Western Australian Tourism Commission obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(d) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services is recognised when the Western Australian Tourism Commission has passed control of the goods or other assets or delivery of the service to the customer.

The receipt of goods and services provided in lieu of cash for the management and sponsorship of events and the Western Australian Tourism Commission's media and journalists' familiarisation programs are recognised in the accounts.

These non-cash (contra) amounts are incorporated in the relevant expenditure and revenue items. The valuation of contra items is generally specified in the individual contracts with suppliers, but where the contract does not specify the value of the contra items representing the goods or services, the valuation is determined by the normal retail price of the goods or services received.

(e) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(f) Depreciation of Non-current Assets

All non-current assets costing in excess of \$1,000 and having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight-line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Furniture, Fittings and Equipment 5 - 10 years
Computer Equipment 3 - 5 years
Leasehold Improvements Term of lease

(g) Revaluation of Land

The Western Australian Tourism Commission has a policy of valuing land at fair value. The annual revaluations of the Western Australian Tourism Commission's land is undertaken by the Valuer General's Office for the Government Property Register and are recognised in the financial statements.

(h) Leases

The Western Australian Tourism Commission has entered into a number of operating lease arrangements for motor vehicles, buildings and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Western Australian Tourism Commission has not entered into any finance leases.

(i) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash-on-hand and are subject to insignificant risk of changes in value.

(j) Receivables

Receivables are recognised as the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 90 days overdue.

(k) Payables

Payables, including accruals not yet billed, are recognised when the Western Australian Tourism Commission becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(I) Interest-bearing Liabilities

Bank loans and other loans are recorded at an amount equal to the net proceeds received. The item "Borrowing costs" is recognised on an accrual basis.

(m) Employee Benefits

Annual leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on-costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields, at the reporting date, on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

This method of measurement of the liability is consistent with the requirements of Accounting Standard AAS 1028 "Employee Benefits".

Superannuation

Staff may contribute to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme now closed to new members. All staff who do not contribute to this scheme become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Both of these schemes administered by the Government Employees Superannuation Board (GESB).

The liability for the pre-transfer service liability for employees who transferred to the Gold State Superannuation Scheme is unfunded and the liability for future payments is provided for at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

Prior to the formation of the Western Australian Tourism Commission in 1984, the Government retained liability for funding members' superannuation benefits for staff employed by the Western Australian Department of Tourism. This situation continued from 1984 until the implementation of the new Government Employees Gold State Superannuation Scheme in July 1987. Following a review by the Treasury Department and the GESB, the Western Australian Tourism Commission is now required to meet the past service liabilities for those members of the Gold State Superannuation Scheme who cease employment after 1 July 1992.

A provision for the pre-1992 service liability has been determined by the Western Australian Tourism Commission based on information supplied by the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole-of-government reporting. The GESB's records are not structured to provide the information for the Western Australian Tourism Commission. Accordingly, deriving the information for the Western Australian Tourism Commission is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(n) Employee Benefit On-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. (See Notes 7 and 24)

(o) Accrued Salaries

Accrued salaries (refer Note 25) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Western Australian Tourism Commission considers the carrying amount approximates net fair value.

(p) Resources Received Free-of-Charge or For Nominal Value

Resources received free-of-charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses, as appropriate, at fair value.

(q) Foreign Currency Translation and Hedges

The Commission has offices in Japan, Singapore, Malaysia, UK and Germany. These offices maintain local bank accounts, the balances of which are included in the balance of cash-on-hand and permanent advances.

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses are brought to account in determining the result for the year.

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Exchange gains and losses and costs arising from these contracts are deferred and included in the determination of the amounts when the transactions are brought to account.

(r) Comparative Figures

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

(s) Rounding

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2. Administration Expense

	2002-03	2001-02
	\$'000	\$'000
Commissioners Fees and Expenses	224	201
Communications Expenses	582	740
Computer Expenses	454	680
Travel	470	323
Vehicle Expenses	472	427
Research	782	166
General Administration Expenses	2,870	2,509
	5,854	5,046

3. Advertising And Promotion Expenses

	2002-03	2001-02
	\$'000	\$'000
Advertising – Production and Placement	2,290	7,150
Promotions and Cooperative Campaigns	2,941	1,491
Collateral – Production and Distribution	384	738
Travel Shows, Seminars, etc.	1,202	559
Electronic Distribution	157	519
Familiarisation Visits	2,529	2,455
General Expenses	897	695
	10,400	13,607

4. Borrowing Costs Expense

	2002-03	2001-02
	\$'000	\$'000
Interest paid to WA Treasury Corporation	1	3

5. Capital User Charge

	2002-03	2001-02
	\$'000	\$'000
Capital User Charge	450	426

A capital user charge rate of 8% has been set by the Government for 2002-03 and represents the opportunity cost of capital invested in the net assets of the Western Australian Tourism Commission used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.

6. Depreciation Expense

	2002-03	2001-02
	\$'000	\$'000
Furniture, Fittings and Equipment	91	80
Computer Equipment	277	276
Leasehold Improvements	56	60
	424	416

7. Employee Expenses

	2002-03	2001-02
	\$'000	\$'000
Wages and Salaries	8,127	7,070
Superannuation	893	486
Long Service Leave	174	247
Annual Leave	518	484
Redundancy	108	-
Other Related Expenses (i)	641	601
	10,461	8,888

(i) These employee expenses include superannuation, payroll tax, workers' compensation premiums and other employment-relayed on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 24.

8. Event Operation Expenses

(i) The expenditure and revenue totals for 2002-03 increased from the previous year due to an increase in the number of, and cost of, events managed and funded during the year.

	2002-03	2001-02
	\$'000	\$'000
Event Expenditure	13,512	12,591
Event Revenue	(5,143)	(4,758)
	8,369	7,833

ii) Event revenue is comprised of cash, as well as the value of goods and services received for management and sponsorship of events conducted by EventsCorp, a division of the Western Australian Tourism Commission. The following is an analysis of the contra-goods and services received in lieu of cash sponsorship. The amounts have been incorporated in the relevant expenditure and revenue items.

	2002-03	2001-02
Classification of Contra-Goods and Services	\$'000	\$'000
Event – Services	-	62
- Operational	676	639
- Promotional	-	130
- Marketing	815	599
- Administration	126	56
	1,617	1,486

(iii) Event expenditure reflects the use of event revenue, funding sponsorships and funds from the Consolidated Fund to meet costs such as administration, operational and service costs, advertising and promotions, communications and prize money. It also includes expenditure incurred in bidding for events and the allocation of funding to private organisations involved in managing events.

9. Grants for Tourist Facilities and Organisations

	2002-03	2001-02
	\$'000	\$'000
Regional Tourism Authorities	1,438	1,379
WA Rural and Regional Marketing Assistance Scheme	293	321
Country Visitor Centre Sustainability Enhancement Scheme	333	287
Metropolitan Visitor Centre Sustainability Enhancement Scheme	31	-
Other Grants	302	765
	2,397	2,752

10. Office Accommodation And Equipment Rental Expenses

	2002-03	2001-02
	\$'000	\$'000
Lease Rentals	1,327	1,287
Repairs and Maintenance	124	52
Cleaning	23	22
Equipment Rentals	4	144
Rates and Taxes	10	10
	1,488	1,515

11. Contract For Service – Perth Convention Bureau

2002-03	2001-02
\$'000	\$'000
1,010	1,010

On 1 October 1998, the Western Australian Tourism Commission entered into a contract for service with the Perth Convention Bureau Inc (PCB) for the provision of the Convention and Incentive Travel Output previously undertaken by a division of the Western Australian Tourism Commission.

12. Industry Contributions

	2002-03	2001-02
	\$'000	\$'000
Cash Contributions	1706	1,966
Non Cash Contributions	2,010	1,530
	3,716	3,496

13. Net Gain/(Loss) On Disposal Of Non-current Assets

	2002-03	2001-02
	\$'000	\$'000
Gain on Disposal of non-current assets		
Computer Equipment	7	7
Furniture, Fittings and Equipment	1	-
	8	7
Loss on Disposal of non-current assets		
Leasehold	(4)	-
	(4)	-

14. Travel Agents' Commission

	2002-03	2001-02
	\$'000	\$'000
Commission on Bookings by Western Australian Visitor Centre	460	529

15. Other Revenue From Ordinary Activities

	2002-03	2001-02
	\$'000	\$'000
WA Tourism Network Membership Fees	10	93
Rents Received	52	66
Sale of Merchandise and Publications	63	102
Other Revenue	351	282
	476	543

16. Revenues (To) / From State Government

	2002-03 \$′000	2001-02 \$′000
Appropriation revenue received during the year:		
- Output Appropriation (i)	35,410	33,015
Total Appropriation	35,410	33,015
The following assets have been (transferred to) / received		
from other government agencies during the financial year:		
- Cash	-	56
- Fixed assets	-	(12)
- Rottnest Island Authority	(1,727)	(1,015)
Total Assets transferred	(1,727)	(971)
Resources Received Free-of-Charge (ii)		
Determined on the basis of the following estimates		
provided by agencies:		
- Office of the Auditor General	58	52
Total Resources Received Free-of-Charge	58	52
Total Revenues from State Government	33,741	32,096

- (i) Output appropriations are accrual amounts reflecting the full cost of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (ii) Where assets or services have been received free-of-charge or for nominal consideration, the Western Australian Tourism Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners in which case the Western Australian Tourism Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

17. Restricted Cash Assets

	2002-03	2001-02
	\$'000	\$'000
Western Australian Visitor Centre	116	152

The Restricted Cash Assets relate to the Western Australian Visitor Centre operations and comprise deposits held on behalf of clients and amounts due to creditors.

18. Receivables

	2002-03	2001-02
	\$'000	\$'000
Current		
Trade Debtors	600	4,740
Provision for Doubtful Debts	(43)	(35)
GST Receivable	437	(22)
	994	4,683
Non-Current		
Hotham Valley Tourist Railway (HVTR)	2,168	2,168
Provision for Doubtful Debts (HVTR)	(2,168)	(2,168)
	-	

(i) Hopman Cup Venture

Hopman Cup is an international tennis event, the organisation of the 2003 event was transferred from Paul McNamee Enterprises Pty Ltd to the International Tennis Federation (ITF). The ITF commenced activity in February 2002, as its financial year-end is 30 March 2003, the share of profit is based on fourteen months. Under the Hopman Cup agreement, the Western Australian Tourism Commission is entitled to 25% of the profits of the venture.

\$'000	\$'000
	\$ 000
112	32
5	-
194	80
311	112
(117)	-
194	112
	5 194 311 (117)

(ii) Credit Risk

In 1997-98, the Western Australian Tourism Commission engaged a consultant to provide a report into the finances of HVTR.

The report detailed that "Hotham Valley Tourist Railway has liabilities far in excess of the recorded book value of the association's assets. The majority of these liabilities are owed to the Western Australian Tourism Commission and it is improbable that a substantial portion of this debt will ever be repaid." Based on this advice, a provision to cover the receivable is included in the financial statements.

19. Amounts Receivable For Outputs

	2002-03	2001-02
	\$'000	\$'000
Current	424	424
Non-current	-	-
	424	424

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

20. Other Assets

Accrued income relates to travel agents' commissions due on tickets sold but not deducted from payments to travel operators and interest earned but not credited. Prepayments relate to an overseas office lease, a computer software maintenance contract, deposits for future activities, rent in advance and contract milestone payments for future events and the payment for the international television Rights for Rally Australia.

	2002-03	2001-02
	\$'000	\$'000
Accrued Income	16	7
Prepayments	3,089	1,958
	3,105	1,965

21. Non-current Assets

	2002-03	2001-02
	\$′000	\$'000
Land – At Fair Value	2,530	2,640
Leasehold Improvements – At Cost	606	617
Less Accumulated Depreciation	(514)	(465)
	92	152
Furniture, Fittings and Equipment – At Cost	1,034	951
Less Accumulated Depreciation	(727)	(641)
	307	310
Computer Equipment – At Cost	1,650	1,471
Less Accumulated Depreciation	(1,216)	(1,013)
	434	458
	3,363	3,560

Crown Land properties situated at Lake Argyle and Donnelly River have been vested in the Western Australian Tourism Commission with the power to lease for the purpose of tourism and recreation. The land was valued at \$2,530,000 by the Valuer General on 1 July 2002 using the 'Highest and Best' method and is the value recorded in the Government Property Register.

Reconciliations

Reconciliation of the carrying amounts of Property, Furniture, Fittings, Equipment and Computer Equipment at the beginning and end of the current year and the previous financial year are set out on the following page.

21. Non-current Assets (Continued)

2002-03	Land	Leasehold Improvements	Furniture, Fittings and Equipment	Computer Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	2,640	152	310	458	3,560
Additions	-	-	93	252	345
Disposals	-	(11)	(9)	(74)	(94)
Depreciation	-	(49)	(87)	(202)	(338)
Revaluation Decrements	(110)	-	-	-	(110)
Carrying amount at end of year	2,530	92	307	434	3,363

2001-02	Land	Leasehold Improvements	Furniture, Fittings and Equipment	Computer Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	2,630	212	364	444	3,650
Additions	-	-	34	300	334
Disposals	-	-	(23)	(177)	(200)
Depreciation	-	(60)	(65)	(109)	(234)
Revaluation Increments	10	-	-	-	10
Carrying amount at end of year	2,640	152	310	458	3,560

22. Payables

	2002-03	2001-02
	\$'000	\$'000
Trade Payables	718	232

23. Interest-bearing Liabilities

	2002-03	2001-02
	\$'000	\$'000
Borrowings from WA Treasury Corporation - Current	-	27
- Non-current	-	-
	-	27

24. Provisions

The aggregate employee-entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements	2002-03 \$′000	2001-02 \$'000
Current Liabilities:		
Annual Leave	791	716
Redundancy	108	-
Long Service Leave	530	423
	1,429	1,139
Non-Current Liabilities:		
Long Service Leave	901	763
Superannuation	1,498	1,347
Retirement, Termination, Redundancy Payments	358	383
Deferred Salary Scheme	3	-
	2.760	2 493

- (i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and workers' compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other related expenses (Under Employee expenses) at note 7.
- (ii) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.
- (iii) Some overseas officers have an employment condition that requires the payment of up to 1.25 months salary for each completed year of service on retirement or termination. This condition is consistent with the employment conditions for the country in which the officers work.

The Western Australian Tourism Commission considers the carrying amount of employee entitlements approximates its net fair value.

Employee Benefit Liabilities

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Provision for employee entitlements	2002-03	2001-02
	\$'000	\$'000
Current Liabilities	1,429	1,139
Non-Current Liabilities	2,760	2,493
	4,189	3,632

25. Other Liabilities

	2002-03	2001-02
	\$'000	\$'000
Accrued Salaries	241	173
Accrued Expenses	1,198	1,762
Income in Advance	54	441
Deferred Grants	2,008	2,057
	3,501	4,433

26. Equity

	2002-03	2001-02
	\$'000	\$'000
Contributed Equity		
Opening Balance	482	-
Capital Contributions (i)	27	482
Closing Balance	509	482

(i) Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

	2002-03	2001-02
Asset Revaluation Reserve	\$'000	\$'000
Opening Balance	2,640	2,630
Net Revaluation Increments (i)	(110)	10
Closing Balance	2,530	2,640

Revaluations recognised during the year were in respect of:

Crown Land Reserves situated at Lake Argyle	-	10
Crown Land Reserves situated at Donnelly River	(110)	-
	(110)	10

26. Equity (Continued)

(i) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(g).

	2002-03	2001-02
Accumulated Surplus	\$'000	\$'000
Opening Balance	2,857	7,395
Change in Net Assets	(2,143)	(4,538)
Closing Balance	714	2,857

27. Notes To The Statement Of Cash Flows

(a) Reconciliation of cash

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

	2002-03	2001-02
	\$'000	\$'000
CASH ASSETS		
- Cash at Bank General Account	1,997	(115)
- Cash on Hand and Permanent Advances	44	120
- Temporary Advances	8	4
- Term Deposits	2,000	3,500
- Cash Management General Account	110	10
	4,159	3,519
RESTRICTED CASH ASSETS		
- Cash at Bank Trust Account	116	152
	116	152
	4,275	3,671

(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2002-03	2001-02
	\$'000	\$'000
Net cost of services	(35,937)	(36,634)
Non-cash items:		
	40.4	41.0
Depreciation expense	424	416
Doubtful debt expense	9	35
Resources received free-of-charge	58	52
(Profit)/loss on sale of property, plant and equipment	(4)	(7)
(Increase)/decrease in assets:		
Current receivables (iii)	814	(797)
Other current assets	(1,140)	(1,120)

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Increase/(decrease) in liabilities:		
Current payables (iii)	426	(114)
Current provisions	291	105
Other current liabilities	(879)	888
Non-current provisions	267	(149)
Other non-current liabilities		
Net GST receipts/(payments) (i)	(534)	(64)
Change in GST in receivables/payables(ii)	459	201
Net cash provided by/(used in) operating activities	(35,746)	(37,188)

- (i) This is the net GST paid/received, ie Cash transactions.
- (ii) This reverses out the GST in accounts receivable and payable.
- (iii) Note that ATO receivable/payable in respect of GST and receivable/payable in respect of the sale/purchase of noncurrent assets are not included in these items as they are not reconciling items.

(c) Non-cash financing and investing activities

During the year, the following assets were transferred to other agencies and are not reflected in the Statement of Cash flows:

Transfers to Other Agencies	2002-03 \$′000	2001-02 \$'000
Computer Equipment	-	7
Furniture	-	5
	-	12

(d) At the reporting date Western Australian Tourism Commission had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

28. Resources Received Free-of-charge

Resources received free-of-charge have been determined on the basis of the following estimates provided by agencies:

5	,	, ,
	2002-03	2001-02
	\$'000	\$'000
Office of the Auditor General – Audit Fees	58	52

29. Commitments For Expenditure

(a.) Non-cancellable operating lease commitments

The Western Australian Tourism Commission leases its motor vehicle fleet from Matrix Finance Group Limited and rents property under lease to the Minister for Housing and Works. Commitments for minimum lease payments are payable as follows:

	2002-03	2001-02
	\$'000	\$'000
Due within one year	1,405	1,417
Due later than one year and not later than five years	670	1,365
Due later than five years	193	263
	2,268	3,045

(b.) Other expenditure commitments contracted at the reporting date but not recognised as liabilities, are payable as follows:

	2002-03	2001-02
	\$'000	\$'000
Due within one year	9,262	5,253
Due later than one year and not later than two years	6,020	3,300
Due later than two years	17,843	2,800

From time to time, the Western Australian Tourism Commission enters into forward contracts for transactions in foreign currency. At 30 June 2003, there were no contracts awaiting settlement.

	2002-03	2001-02
	\$'000	\$'000
Forward Purchase Contracts	-	526
Forward Selling Contracts	-	-

There are no significant capital commitments.

30. Contingent Liabilities And Contingent Assets

In addition to the liabilities incorporated in the financial statements, the Western Australian Tourism Commission has the following contingent liability;

The Western Australian Tourism Commission has a contingent liability under an agreement with Paul McNamee Enterprises Pty Ltd and Paul Francis McNamee in respect to the Hopman Cup, an annual international mixed teams tennis event. Under the agreement, the Western Australian Tourism Commissionis required to meet the first \$2,000,000 of any loss or deficit.

The Western Australian Tourism Commission had no contingent assets at 30 June 2003.

31. Explanatory Statement

(i) Significant variations between estimates and actual results for the financial year.

Details and reasons for significant variations between estimates and actual results are listed below. Significant variations are considered to be variations that are either greater than \$200,000, or 10% of budget.

CLASS	ESTIMATES 2002-03	ACTUAL 2002-03	VARIANCE
	\$'000	\$'000	\$'000
Expenditure			
Advertising and Promotions	12,107	10,400	1,707
Employee Entitlements	9,776	10,461	(685)
Event Operations	13,800	13,512	288
Grants for Tourism Facilities and Organisations	3,133	2,397	736

Advertising and Promotions

The Western Australian Tourism Commission deferred the commencement of advertising campaigns due to the outbreak of Severe Acute Respiratory Syndrome. Some campaigns have commenced and will be finalised during the next financial year.

Employee Entitlements

Increase in staff displaced following an internal restructure. Staff have been employed to commence work on the Rugby World Cup which has been budgeted in the 2003-04 financial year.

Event Operations

Decrease in expenditure versus budget relates to the deferral of future event funding to 2003-04, this is largely offset by a budget over-run for the Rally Australia 2002 event, major reasons for the over-run were an increase in insurance and administration charges and increases in the operational costs of the event.

Grants for Tourism Facilities and Organisations

The difference relates to unallocated funds for the Country Visitor Centre Sustainability Enhancement Scheme and the WA Regional and Rural Marketing Assistance Schemes, funding for these schemes will be carried forward and will be expended in 2003-04.

(ii) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

The Western Australian Tourism Commission's policy requires explanations of significant variations between the actual results of the current year compared to the actual results of the previous year if the results are not reported in a separate note. Significant variations are considered to be variations that are either greater than \$200,000, or 10% of the amounts for the previous year.

	ACTUAL	ACTUAL	VARIANCE
CLASS	2002-03	2001-02	
	\$'000	\$'000	\$'000
Expenditure			
Administration Expenses	5,846	5,046	800
Advertising and Promotions	10,400	13,607	(3,207)
Employee Entitlements	10,461	8,888	1,573
Event Tourism	13,512	12,591	921
Grants for Tourist Facilities and Organisations	2,397	2,752	(355)
Revenue			
Event Operations	5,143	4,758	385
Industry Contribution	3,716	3,496	220

31. Explanatory Statement (Continued)

Administration Expenses

See Note 2.

Advertising and Promotions

The 2001-02 actual includes the production of the current advertising campaign, additional expenditure relating to the recovery from the terrorist attacks in America and the demise of Ansett Airlines. Additionally, during 2002-03, the Western Australian Tourism Commission deferred the commencement of advertising campaigns due to the outbreak of Severe Acute Respiratory Syndrome. Some campaigns have commenced but will be finalised during the next financial year.

Event Operations-Expenditure

Increase in the annual cost of Hopman Cup and the Johnnie Walker golf tournament and additional expenditure made for Rally Australia.

Employee Entitlements

The increase over 2001-02 was the result of full-year cost associated with an internal restructure which saw additional staff being employed to undertake core activity that had previously been outsourced, contract and temporary officers were also converted to salaried positions.

Grants for Tourist Facilities and Organisations

Expenditure during 2001-02 was greater due to a special grant made to the Travel Compensation Fund.

Event Operations-Revenue

Increase in share of profits from Hopman Cup.

Industry Contributions

Increased contributions to the Western Australian Tourism Commission's familiarisation program and advertising campaigns from the private sector.

32. Financial Instruments Disclosures

(a) Interest Rate Risk Exposure

The following table details Western Australian Tourism Commission's exposure to interest rate risk as at the reporting date.

	Weighted	Floating				Non	
	average effective	interest	Fixed inter	est rate ma	turities	Interest	Total
	interest rate	rate				Bearing	
			1 Year or	1 to 5	Over 5		
			Less	Years	Years		
30 June 2003	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash Assets	3.69%	4,107	-	-	-	52	4,159
Restricted Cash Assets	2.08%	116	-	-	-	-	116
Receivables			-	-	-	994	994
Total financial assets		4,223				1,046	5,269
Liabilities							
Payables		-	-	-	-	718	718
Other Liabilities		-	-	-	-	3,501	3,501
Interest-bearing Liabilities		-	-	-	-	-	-
Total financial liabilities		-	-	-	-	4,219	4,219
Net financial assets (liabilities)		4,223	-	-	-	(3,173)	1,050
30 June 2002							
Financial Assets		3,473	-	-	_	4,881	8,354
Financial Liabilities		-	(27)	-	-	(4,739)	(4,766)

(b) Credit Risk Exposure

All financial assets are unsecured.

The carrying amounts of financial assets represent the Western Australian Tourism Commission's maximum exposure to credit risk in relation to those assets.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

33. Remuneration Of Members Of The Accountable Authority And Senior Officers

Remuneration of Members of the Accountable Authority

The number of members of the Board, whose total fees, salaries, superannuation and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	2002-03	2001-02
	No.	No.
\$ 1 - \$ 10,000	1	11
\$ 10,001 - \$ 20,000	6	2
\$ 30,001 - \$ 40,000	11	-
	2002-03 \$'000	2001-02 \$'000
The total remuneration of the members of the Accountable Authority is:	118	92

The superannuation included here represents the superannuation expense incurred by WATC in respect to members of the Board. No members of the Board are members of the pension scheme.

Remuneration of Senior Officers

The number of senior officers other than the members of the Board, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

	2002-03	2001-02
	No.	No.
\$ 30,001 - \$ 40,000	1	-
\$ 90,001 - \$100,000	1	1
\$100,001 - \$110,000	-	4
\$110,001 - \$120,000	2	-
\$130,001 - \$140,000	-	1
\$150,001 - \$160,000	1	-
\$250,001 - \$260,000	1	-

	2002-2003	2001-2002
The total remuneration of senior officers is:	\$'000	\$'000
	754	656

Note: Some members of the accountable authority were not employed for a full year in 2001-02.

The superannuation included here represents the superannuation expense incurred by Western Australian Tourism Commission in respect of senior officers other than senior officers reported as members of the Board. No senior officers are members of the pension scheme.

34. Affiliated Body

On 1 October 1998, the Western Australian Tourism Commission entered into a contract for service with the Perth Convention Bureau Inc (PCB) for the provision of the Convention and Incentive Travel Output previously undertaken by a division of the Western Australian Tourism Commission.

The Western Australian Tourism Commission controls the activities of the Perth Convention Bureau to the extent that it provides the majority of the Perth Convention Bureau's funding and that the Perth Convention Bureau has contracted to submit their annual operational plan and budget for approval by the Western Australian Tourism Commission prior to implementation. The Perth Convention Bureau is not subject to operational control by the Western Australian Tourism Commission.

During 2002-03, payments totalling \$1,268,300 were made to the Perth Convention Bureau.

35. Supplementary Financial Information

	2002-03 \$'000	2001-02 \$'000
Write-offs Revenue and public and other property written off during the financial year.	3	35
Losses Losses of public monies and other monies, and public and other property through theft, default or otherwise, written off.	1	-
Act of Grace Payments Payments made	2	<u>-</u>

36. Events Occurring After Reporting Date

In August 2003, a Statement of Liquidated Claim seeking \$600,000 plus interest and costs in respect to a contract between the Western Australian Tourism Commission and Elle Racing Pty Ltd was re-instated by the New South Wales District Court, the claim was initially received during 1998-99 and subsequently struck out during 2001-02. Liability has not been admitted and the claim is being defended. Provision for this claim has not been recognised in the accounts.

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

37. Direction By The Minister

Section 16 (2) of the *Western Australian Tourism Commission Amendment Act 1994* requires that the text of any written directions from the Minister are to be included as a note to the Financial Statements. There were no such directions received during 2002-03.

38. Output Reporting

	(\$'000)					
	Destination Marketing		Event Tourism		Convention and	
					Incentive	Travel
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
Operating Expenses						
Administration Expenses	2,538	2,264	490	334	1	2
Advertising and Promotions	9,732	12,884	69	0	115	4
Contract for Service	-	-	-	-	1,010	1,010
Event Operations	17	1	13,493	13,048	-	1
Grants, Tourist Facilities and Organisations	293	601	-	-	-	-
Office Accommodation	710	636	133	145	-	7
Salaries, Wages and Superannuation	3,867	3,053	645	721	32	34
Total Operating Expenses	17,157	19,439	14,830	14,248	1,158	1,058
Revenues from Services						
Event Operations	-	-	5,143	4,747	-	-
Industry Contributions	3,222	3,432	-	-	100	-
Other Revenue	90	94	-	-	4	4
Total Revenues from Services	3,312	3,526	5,143	4,747	104	4
Net Cost of Services	13,845	15,913	9,687	9,501	1,054	1,054
Revenues from Government						
Appropriation	14,388	10,989	9,526	9,752	1,041	1,041
Grants Received	-	3,000	-	-	-	-
Resources Received Free-of-Charge	-	-	-	-	-	
Total Revenues from Government	14,388	13,989	9,526	9,752	1,041	1,041
Change in net assets resulting from Operations	543	(1,924)	(161)	251	(13)	(13)

	(\$'000)							
	Indu	stry	Corporate and					
This follows on from the table above	Develo	pment	Visitor S		Operation	al Support	Tot	tal
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
Operating Expenses								
Administration Expenses	1,118	570	617	592	1,975	1,737	6,739	5,499
Advertising and Promotions	280	175	204	501	-	43	10,400	13,607
Contract for Service	-	-	-	-	-	-	1,010	1,010
Event Operations	2	-	-		-	8	13,512	13,058
Grants, Tourist Facilities and	1,529	1,350	551	294	24	507	2,397	2,752
Organisations								
Office Accommodation	204	228	225	243	216	216	1,488	1,475
Salaries, Wages and Superannuation	1,640	1,377	1,409	1,489	2,868	2,214	10,461	8,888
Total Operating Expenses	4,773	3,700	3,006	3,119	5,083	4,725	46,007	46,289
Revenues from Services								
Event Operations	-	-	-	-	-	11	5,143	4,758
Industry Contributions	48	41	334	23	12	-	3,716	3,496
Other Revenue	35	71	557	754	578	478	1,264	1,401
Total Revenues from Services	83	112	891	777	590	489	10,123	9,655
Net Cost of Services	4,690	3,588	2,115	2,342	4,493	4,235	35,884	36,634
Revenues from Government								
Appropriation	4,231	2,373	1,949	3,065	2,548	4,791	33,683	32,011
Capital Appropriation	-	-	-	-	1,727	1,004	1,727	1,004
Transfers From / (To) Other Agencies	-	(2,956)	-	-	-	-	-	44
Transfers to Rottnest Island Authority					(1,727)	(1,015)	(1,727)	(1,015)
Resources Received Free-of-Charge					58	52	58	52
Total Revenues from Government	4,231	(583)	1,949	3,065	2,606	4,832	33,741	32,096
Change in pat accets resulting from	(450)	(4,171)	(166)	723	/4 007\	597	(2.442)	(4,538)
Change in net assets resulting from Operations	(459)	(4,171)	(166)	723	(1,887)	597	(2,143)	(4,556)

Certification of Financial Statements for the Year Ended 30 June 2003

The accompanying financial statements of 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 financial transactions for the year ended 30 June 2003 and the financial position as at 30 June 2003.

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

Alan Mulgrew

CHAIRMAN

Western Australian Tourism Commission 29 August 2003

Laurie O'Meara

DEPUTY CHAIRMAN

Western Australian Tourism Commission 29 August 2003

Richard Wilson

EXECUTIVE DIRECTOR

Corporate And Business Services Principal Accounting Officer 29 August 2003

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Appendices

Advertising and SponsorshipAs required by Section 175ZE of the Electoral Act 1907, the Commission reports that it has incurred expenditure during the financial year ended 30 June 2003 on the following:

	\$
(a) Advertising Agencies	596,848
(b) Market Research Organisations	874,567
(c) Polling Organisations	0
(d) Direct Mail Organisations	2,570
(e) Media Advertising Organisations	3,225,347
	4,699,332
(a) Advertising Agencies	
Compac Marketing	248,973
303 Advertising	229,412
Marketforce Productions	85,043
Ward Holt Pty Ltd	33,420
	596,848
(h) Market Persaarch Organisations	
(b) Market Research Organisations Bureau of Tourism Research	245,479
Donovan Research	228,273
Roy Morgan Research	199,784
Market Equity P/L	144,689
Patterson Market Research	56,342
Tutterson Warket Nesearch	874,567
(c) Polling Organisations	0
(d) Direct Mail Organisations	
Brochure Direct Ltd	2,471
Impact Publications	99
	2,570
(e) Media Advertising Organisations	2 457 277
Media Decisions	2,157,277
Marketforce Pty Ltd	682,687
The Ten Group Limited BNC Television Service P/L	330,000 34,406
Advance Press Pty Ltd	12,610
Countrywide Publications	7,200
Richmond News	492
Eaton-Australind Newspaper Dis	313
Business News	149
Rural Press Regional Media (WA)	143
Niche Media Pty Ltd	70
,	3,225,347

Disability Services, Cultural Diversity and Language Services

Although the Western Australian Tourism Commission does not have any statutory control over private sector tourism operators, regular and ongoing discussions with the operators have ensured that the language, cultural and disability needs of tourists are continually assessed and responded to where possible.

In relation to disability services, the Western Australian Tourism Commission has achieved the following:

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 Western Australian Tourism 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.

During 2003-2004 the Western Australian Tourism Commission's head office will be relocated to new premises. The needs of persons with disabilities are being taken into account in designing the floors occupied by the Western Australian Tourism Commission.

Outcome 2: Access to buildings and facilities is improved

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

During the 2003 Visitor Centre Association of Western Australia annual conference, participants will be briefed on Visitor Centres' responsibilities in dealing with people with disabilities.

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

A comprehensive disability access survey of tourism operators is used to improve the information available to people with a disability, and their families, planning holidays and/or travel. This survey is recorded on a database, which is available to the 40 Western Australian Tourism Network Visitor Centres.

Additionally, the public can find this disability service information via the advanced search function on the Western Australian Tourism Commission's internet site (www.westernaustralia.net)

Future website development will take into account the "Guidelines for State Government Websites" (July 2002).

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

The Western Australian Visitors' Centre staff induction includes training in disability services. This aids staff in providing appropriate advice and assistance to people with disabilities.

Outcome 5: Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes Future website development will enhance the capacity for people with disabilities to lodge grievances; and generally make comment on tourism-related matters.

Energy Smart Government Program

The Western Australian Tourism Commission's baseline energy consumption from 2001-2002 was 1,591,859 MJ, at a cost of \$64,205, which generated 407 tonnes of greenhouse gas emissions. This excluded energy usage in the Western Australian Tourism Commission's international, interstate and intrastate regional offices.

In accordance with the Energy Smart Government Policy, a reduction of 5% was required to be made in 2002-2003, for an overall energy consumption of 1,512,266 MJ. as head Office will be relocated some time in 2003-2004 the Western Australian Tourism Commission, with the understanding of the Sustainable Energy Development Office, has not invested in any energy saving programs. It was agreed that any measures put in place would require reinvestment in the new building and, with the exception of greenhouse gas emissions, would offset any savings made.

The Western Australian Tourism Commission's energy consumption for 2002-2003 was 1,807,268 MJ at a cost of \$72,358, which generated 462 tonnes of greenhouse gas emissions.

Evaluation of Programs

An independent review of the tourism industry's five year plan (Partnership 21) was undertaken in 2002, with the review findings presented to the industry in November 2002. It was clear from the review that the tourism industry was seeking and expected leadership from the Western Australian Tourism Commission during the intense period of change being experienced.

In response to the review, the Western Australian Tourism Commission has set forth an ambitious new strategic plan to be launched in September 2003. The strategic direction was set by the Board and Executive Management and all Divisions have evaluated their activities in light of the new strategic direction. The Western Australian Tourism Commission will facilitate improvement in the quality and quantity of tourism products and services and achieve greater leveraging of events and business tourism (meetings, conventions and exhibitions). There will also be a shift in focus, from mass media destination marketing to identified target segments that will deliver the best return on investment.

In line with the new strategic direction, the tourism regions were evaluated and the New Concept for State Tourism developed. The new regional strategy is based on seven months of consultation with the tourism industry, regional tourism associations, Regional Development Commissions, local government authorities and other stakeholders. The New Concept for State Tourism strategies will take effect from January 2004.

The strategic plan forms the basis of the annual operational plan, which guides the activities of all staff. As a result of planning, additional resources have been directed towards the Industry Development and Visitor Servicing function.

Freedom of Information

The Western Australian Tourism Commission complies with the *Freedom of Information Act 1992*. Applications to access the Western Australian Tourism Commission's records and Information Statement, including all associated fees, should be made through the Western Australian Tourism Commission's Freedom of Information Coordinator.

The following schedule summarises the Freedom of Information applications for the year ended 30 June 2003:

Carried forward 30 June 2002	0
New valid applications received year ended 30 June 2003	1
Total number of applications to process	1

Activity Summary Year Ended 30 June 2003

	Number
Completed	1
Personal Information	0
Non Personal Information	1
Access	
Full	0
Edited	1
Withdrawn	0
Transferred	0
Outstanding	0

Ministerial Reporting

During 2002–2003 the Western Australian Tourism Commission responded promptly to 588 Ministerial requests and 62 Parliamentary Questions. The Western Australian Tourism Commission also provided 890 briefing notes, speeches and draft media releases relevant to operational objectives, investment or financing activities.

Publications

The Western Australian Tourism Commission produced a range of publications. Copies of publications are available by contacting the Western Australian Tourism Commission or by visiting www.tourism.wa.gov.au

Publication	Price
Annual Report 2001-2002	Free
Cooperative Marketing Guide	Free
Corporate Plan 2002-2004	Free
Brand WA Guidelines	Free
In Touch Newsletter	Free
Innovations Newsletter	Free
Best on Earth in Perth 2002 & 2003 Calendar	Free
Best on Earth in Perth Fact Sheets	Free
New Concept for State Tourism Position Paper	Free
Perth, Fremantle and Surrounds Guide	Free
Magnetic North Holiday Guide	Free
Wildflower Holiday Guide	Free
Winter Breaks Holiday Guide	Free
Winter Breaks Research 'An explanation of industry and consumer perceptions'	Free
Research Brief on Tourism (2 issues per year)	Free
Rugby World Cup 2003 OTA Newsletter	Free
Tourism Research Review WA State (Domestic: visitor numbers, expenditure, travel characteristics)	\$22.00
Touristics (annual subscription – 2 issues per year)	\$22.00
Tourism Research Reviews – WA regions (11 regions) (visitor numbers, expenditure, travel characteristics)	Free
Tourism Research Reviews – Towns/Shires (14 localities) (commercial accommodation statistics, transport statistics et al)	Free
Guidelines for Tourism Signs — a set of guidelines for sign-posting tourist attractions and visitor service facilities	Free
Market Analysis Templates 2003	Free
Designing Tourism Naturally	\$35.00
Tourism Development Register	Free
Tourism Infrastructure and Product Development Plans 2004-2013 – for each of the 10 tourism regions of WA.	Free
Tourism Advantage: Education Resource Kit	\$30.00
Understanding WA Visitor Information Needs	Free
Quickstart Guide to Tourism Business	Free

Research and Development Summary 2002/2003

The Western Australian Tourism Commission undertakes a variety of research and development projects.

Research and Development Activity	Status
Australian Tourism Data Warehouse (ATDW)	Ongoing
International Contact Management System	Ongoing
Interactive Television Development Strategy	Completed
Market Analysis Templates 2003	Completed
Tourism Satellite Account	Ongoing

Waste Paper Recycling

The Western Australian Tourism Commission has a paper recycling program in place.

How to contact the Western Australian Tourism 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 e-mail: info@tourism.wa.gov.au

WESTERN AUSTRALIAN 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

Regional

KIMBERLEY

Suite 1, Cnr Dampier Street and Napier Terrace, Broome, Western Australia 6725 Tel: (08) 9193 6122 Fax: (08) 9193 6142 Email: kimberley@tourism.wa.gov.au

PILBARA

State Government Office Building, cnr Searipple & Welcome Roads, Karratha, Western Australia 6714 Telephone: (08) 9185 0188, Facsimile: (08) 9185 0189

Email: pilbara@tourism.wa.gov.au

GASCOYNE

34 Stuart Street, Carnarvon, Western Australia 6701 Tel: (08) 9941 2406 Fax: (08) 9941 4713 Email: gascoyne@tourism.wa.gov.au

MID WEST

SGIO Building, cnr Chapman Road and Cathedral

Geraldton, Western Australia 6530 Tel: (08) 9921 0716 Fax: (08) 9921 0707 Email: midwest@tourism.wa.gov.au

GOLDFIELDS/ESPERANCE

377 Hannan Street, Kalgoorlie, Western Australia 6430 Tel: (08) 9021 0821 Fax: (08) 9091 7340 Email: goldfields@tourism.wa.gov.au

HEARTLANDS

297 Fitzgerald Street, Northam, Western Australia

Tel: (08) 9622 5627 Fax: (08) 9622 7098 Email: heartlands@tourism.wa.gov.au

PEEL

Unit 11, 55 Mandurah Terrace, Mandurah, Western Australia 6210 Tel: (08) 9535 6167 Fax: (08) 9535 4678 Email: peel@tourism.wa.gov.au

SOUTH WEST

10th Floor, Bunbury Tower, 61 Victoria Street, Bunbury, Western Australia 6230 Tel: 08 9791 9000 Fax: 08 9791 7077 Email: southwest@tourism.wa.gov.au

GREAT SOUTHERN

Pyrmont House, 110 Serpentine Road, Albany, Western Australia 6330 Tel: (08) 9841 8599 Fax: (08) 9841 3319 Email: southern@tourism.wa.gov.au

Interstate

VICTORIA

Level 11, 50 Franklin Street, Melbourne Victoria 3000 Tel: (03) 9663 2766 Fax: (03) 9663 2120 Email: melbourne@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, Spring Hill Qld 4004 Tel: (07) 3832 8849 Fax: (07) 3832 8223 Email: brisbane@tourism.wa.gov.au

International

JAPAN

Australian Business Centre, New Otani Garden Court Building, Level 28F, 4-1 Kioi-cho, Chiyoda-ku Tokyo, Japan 102-0094 Tel: 0011 81 3 5214 0797 Fax: 0015 81 3 5214 0799 Email: japan@tourism.wa.gov.au

SINGAPORE

05-13 The Adelphi, 1 Coleman Street, Singapore 179803 Tel: 0011 65 6338 7772 Fax: 0015 65 6339 7108 Email: singoff@tourism.wa.gov.au

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: dtan@tourism.wa.gov.au

UK/EUROPE

5th Floor, Australia Centre, Strand, London WC2B 4LG United Kingdom Tel: 0011 44 20 7395 0580 Fax: 0015 44 20 7379 9826

Email: london@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: watc-germany@tourism.wa.gov.au