

# **ANNUAL REPORT 2005-2006**

**TOURISM WESTERN AUSTRALIA**

# The Value of Tourism for Western Australia

## Value of Tourism

- In 2005, interstate visitors to WA were just under 1 million.<sup>1</sup>
- From 2001 to 2005, international visitor expenditure in WA grew by a total of 41%.<sup>2,3</sup>
- International visitor expenditure in WA is more than the combined international visitor expenditure of South Australia, Northern Territory, Tasmania and the Australian Capital Territory (ACT).<sup>2,4</sup>
- In 2001/2002 54,000 Western Australians were directly employed in tourism, with around 18,000 more indirectly employed (7.7%<sup>5</sup> of total state employment).<sup>6</sup>

## Forecasted Growth

- 1,058,300 international visitors to WA by 2015<sup>7</sup>
- Average annual growth rate in international visitors to WA of 5.2% a year until 2015<sup>7</sup>
- UK will be the first market to surpass 200,000 visitors to WA (estimated 2012)<sup>7</sup>
- Global tourism is estimated to grow by an average of 4.1% per year to 2020<sup>8</sup>

## 2005 Domestic

Visitors – 5.969 million  
     Intrastate – 5.010 million  
     Interstate – 959,000  
 Nights – 28.422 million  
 Expenditure<sup>4</sup> – \$2.822 billion  
     Intrastate - \$1.842 billion  
     Interstate - \$980,000

## Market Share: Australia

9%  
 10%  
 4%  
 10%  
 9%  
 12%  
 6%

## 2005 International

Visitors – 635,000  
 Nights – 15.717 million  
 Expenditure<sup>4</sup> - \$1.226 billion  
**Total Visitors – 6.604 million**

## Market Share: Australia

13%  
 12%  
 10%

## Top Markets:

### WA (2005)

	No. of Visitors	% of WA market
1. UK	158,300	25%
2. Singapore	67,100	11%
3. New Zealand	57,800	9%
4. Japan	48,700	8%
5. Malaysia	43,200	7%
6. USA	34,100	5%
7. Germany	25,500	4%
8. Indonesia	20,500	3%
<b>Total</b>	<b>455,200</b>	<b>72%</b>

1 Source: TRA National Visitor Survey (NVS) 2005

2 Source: TRA International Visitor Survey (IVS) 2005

3 Source: TRA Tourism expenditure by international and domestic visitors in Australia's regions 1999 - 2005

4 Source: Travel expenditure by domestic and international visitors in Australia's regions 2005

5 Total of both direct and indirect numbers employed

6 Source: State Satellite Account, Access Economics 2001

7 Source: Tourism Forecasting Council (April 2006) total Australia

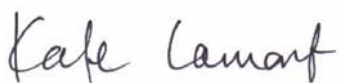
8 Source: World Tourism Organisation

## **Message to the Minister**

To Sheila M<sup>c</sup>Hale 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 (operating as Tourism Western Australia) for the year ended 30 June 2006.

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

A handwritten signature in dark ink, reading "Kate Lamont". The signature is written in a cursive, flowing style.

**Kate Lamont**

CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION BOARD  
1 September 2006

## **Contents**

	Page
Tourism Western Australia In Profile	4
Outgoing Chairman's Report	6
Chief Executive's Report	8
Year in Review	
Strategic Management	10
Destination Marketing	12
Event Tourism	14
Convention and Incentive Travel	15
Industry Development	15
Visitor Servicing	16
Outlook for 2006-2007	18
Our People	22
Corporate Governance	29
Key Performance Indicators	34
Financial Statements	49
Appendices	87

## **Tourism Western Australia in Profile**

### **Our Vision**

Make Western Australia the world's natural choice.

### **Our Mandate**

Grow Western Australian tourism faster than the national average for the long-term benefit of the State.

### **Values**

At Tourism WA our decisions and actions are guided by the following values:

#### *Open Communication*

We communicate in an open, honest and straightforward manner, while recognising the confidentiality, privacy and/or commercial sensitivity which is sometimes involved in the information with which we deal.

#### *Performance Orientation*

We work with economy and a sense of purpose to respond to the needs and expectations of our customers, stakeholders and the broader community.

#### *Positive Contribution*

We share ideas and information and are willing to change and grow to improve the future. We contribute as individuals and as part of a team.

#### *Learning and Innovation*

We support an environment where empowered employees find creative solutions and balance risk.

#### *Integrity and Courtesy*

We take responsibility for our actions and manage information and property with care. We treat others ethically and with respect.

#### *Respecting Individuality*

We recognise the needs of individuals, including balancing work and family matters, and we encourage diversity.

#### *Recognising Valued Behaviour*

We encourage, recognise and reward valued behaviour in individuals and teams.

## **Tourism Western Australia's outcomes and outputs**

Tourism Western Australia contributes to the government strategic objectives of:

- Developing a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth
- Ensuring that regional Western Australia is strong and vibrant

by achieving the following outcomes:

- The promotion of Western Australia as an attractive destination
- The development of an enhanced tourist industry, infrastructure and product base

The outcomes are achieved through the following services or outputs:

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

## **Who we are**

Tourism WA has an average of 164 staff, primarily located in Perth, with national and international marketing staff in Sydney, Singapore, Tokyo and Shanghai, representative offices in London, Frankfurt, Seoul and Auckland, and regional managers in Kununurra, Karratha, Carnarvon, Geraldton, Kalgoorlie, Mandurah, Bunbury and Albany.

## **Our clients**

Tourism WA has several main groups of customers, stakeholders and partners:

Travel consumers  
Tourism industry  
Event industry  
General business community  
Government

## Outgoing Chairman's Report

The 2005-2006 financial year saw greater recognition of the enormous contribution the industry makes to WA and its growing potential to help deliver a diverse and robust economy. This recognition resulted in strong State government funding support for Tourism Western Australia initiatives, particularly for marketing. International figures were up but domestic figures were starting to show signs of the national downturn that is currently affecting the tourism industry across Australia. It is ironic that the biggest challenge we now face is our own economic success – with the strong Australian dollar making overseas destinations look more affordable compared to local alternatives.

This year has seen further consolidation of the considerable changes the industry has gone through over the past few years. The realignment of our tourism regions continues to work well, with the five Regional Tourism Organisations doing a great job of marketing their regions within WA, and Tourism Western Australia is leading the way in promoting Western Australia to interstate and overseas markets.

Our marketing focus on five iconic experiences – marine, outback adventure, forest and flowers, food and wine, and people and lifestyle – is giving Western Australia unprecedented impact, both here and overseas. These five experiences are innovatively packaged within our 'Real Australia' Brand, which continues to strike a chord in our key markets.

Of particular note during the past 12 months has been the success of our online marketing initiatives, which are providing a cost effective way to reach key new markets including China and Korea, as well as our traditional markets.

Our ongoing efforts to consult with and involve the industry in our decision making and planning for the future is paying dividends. By working together on marketing directions, industry development, partnerships, infrastructure and events, we are ensuring the settings are right for the future. At the same time, we are constantly reviewing our performance, and seeking input on how to improve our operations. The regional tourism review, for example, has given us the chance to reflect on recent changes and make adjustments going forward.

Many challenges lie ahead, particularly in the area of domestic tourism, where we will need to work together to come up with new and effective ways to get people to visit our State.

I am confident the industry is in good hands, and I would like to acknowledge the great support that Tourism Western Australia, and particularly its Board, receives from all those involved in tourism.

In this, my final Chairman's Report, I would like to acknowledge the support of the previous Minister for Tourism, the Hon Mark McGowan, and welcome the appointment of the Hon Sheila M'Hale, who has demonstrated her commitment to tourism through the continuation of strong funding support to Tourism WA for its marketing and industry development initiatives.

I would like to acknowledge and thank Chief Executive Officer Richard Muirhead and his executive team for their support, leadership and tireless dedication to developing and promoting tourism in WA. I also would like to pay special tribute to my fellow Board Members over the past five years, and all the talented and committed staff of Tourism WA.

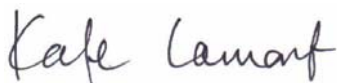


**Alan Mulgrew**  
OUTGOING CHAIRMAN  
1 September 2006

## Incoming Chairman's Note

It is with great anticipation that I take up the position as Chairman of Tourism Western Australia in this last half of 2006. As a Board member of the Commission over the past two years, I have enjoyed contributing to the way tourism has developed and the way our State is promoted. It has been a pleasure to work with a very dedicated group of Commissioners, members of the tourism industry, and the staff and executive of Tourism WA.

I look forward to continuing this work with the board, including five new members, all of whom will have taken up their positions by the end of September 2006. The upcoming year will see a review of Tourism WA's strategic direction and I welcome the chance to consolidate what has been achieved so far and, working with the tourism industry, contribute to the future of tourism in Western Australia over the coming years.



**Kate Lamont**  
INCOMING CHAIRMAN  
1 September 2006



## Chief Executive Officer's Report

This year has been a busy one with progress on many fronts, including the extended roll out of our highly successful 'Real Thing' brand campaign both in Australia and overseas. Much of this extended rollout has been made possible because of the additional marketing funds provided by the State Government. This support is giving us the opportunity to expose Western Australia to the world in new and innovative ways, including online. We recently became the first State Tourism Organisation to use Foxtel interactive technology in a highly successful campaign encouraging people to visit the State.

We are also giving Western Australia a human face in key emerging markets, with the opening of our first office in China (Shanghai) and the appointment of Allen Cheng, as well as the appointment of representatives in South Korea and New Zealand.

We have taken the opportunity to review the new framework for Regional Tourism in WA and make adjustments to ensure we are going forward in a way that works for tourism operators, the Regional Tourism Organisations, and most importantly, our visitors.

We have looked at tourism's infrastructure needs and continued to develop the LandBank concept which provides development-ready land for tourism purposes. Expressions of Interest for the first parcel of land, at Mt Herschel on Rottnest Island, will be called early in the new financial year.

We had a busy year for events, with the start of the Clipper 05-06 Round the World Yacht Race featuring our yacht **westernaustralia.com**, and news that we had secured the spectacular Red Bull Air Race for three years. We hosted the Johnnie Walker Classic, which we also have secured for 2009 and 2012, and won the right to host the Aussies (National Surf Life Saving Championships) from 2007 – 2009. We also had the Clipper yachts here in Fremantle over Christmas.

Western Australia has been showcased internationally through television programs such as BBC World Asia's six-part series 'face-to-face', as well as Lonely Planet Six Degrees, the Amazing Race, and BBC World's Peschardt's People.

A ministerial taskforce was established to look into the Adventure Tourism industry – including licensing and accreditation, signage and information, and in consultation with industry, an Aboriginal Tourism Strategy has also been developed.

A new business model has been adopted at the WA Visitor Centre in Perth, which means we outsource the retail aspects of the work to tourism retail specialist, Best of Western Australia, with great results.

Across the State, Visitor Centres have benefited from Grant Schemes flowing from the findings of the Visitor Centre Study carried out in 2004. A series of schemes have supported the introduction of online booking systems, office enhancements and co-location of our Visitor Centres. Nine indigenous trainees also completed their traineeships after having taken part in the Visitor Centre Traineeship Scheme.

Regional Events also got a boost thanks to the expanded Regional Event Scheme program designed to support events that showcase Western Australia's regions and attract visitors.

The Minister for Tourism announced a new Tourism WA Board Chair - Kate Lamont, and five new Board members – John Spence, Howard Cearn, David Mazitelli, Kim Bridge and Gail

Reynolds-Adamson - who will join the Board for the new financial year, bringing with them expertise in marketing, tourism administration and indigenous tourism.

There are some challenging times ahead, with a whole range of factors contributing to a national downturn in domestic tourism numbers, not least, the economic boom times we are enjoying. There are no quick fixes, but Tourism WA is relying on all stakeholders in the tourism industry to pull together and identify ways to ensure strong visitor numbers into the future.

I would like to thank the Board of Commissioners for their vision, guidance and support throughout the year. For four of those Board members, Helen Creed, David Smith, Mike Monaghan and Anthony Quahe, 2005-2006 was their last year as Board Members and I especially thank them for their service throughout their terms. Alan Mulgrew, as Chairman of the Board, will also call this his last year. Alan has led the Board, Tourism WA, and the entire tourism industry through a number of initiatives which have profoundly changed the face of the industry.

I would also like to thank the many volunteers who help us with events, visitor centre services and the vital meeting and greeting of visitors to Western Australia. Their contribution is invaluable and helps make the Western Australian tourism experience a world leader.

As always, I would also like to thank the team at Tourism WA, and their families, for their dedication, enthusiasm and support.

A handwritten signature in black ink, appearing to be 'RM' or similar, written in a cursive style.

**Richard Muirhead**  
CHIEF EXECUTIVE OFFICER  
1 September 2006

# Strategic Management

The five year Tourism WA Strategic Plan describes the purpose and long term direction of the organisation. Tourism WA contributes to all WA Public Sector Strategic Planning Framework goals and the following table illustrates our alignment with the Framework. Please note that the key outcomes as a result of pursuing these strategies can be found in the Report on Operations section of this annual report.

Government Strategic Planning Framework	Tourism WA Strategic Plan 2005-2010
<b>GOAL 1: To enhance the quality of life and wellbeing of all people throughout Western Australia</b>	
A culturally rich, artistically inspired and intellectually stimulated society	Develop new tourism product segments to meet market needs.
A society where Indigenous Australians have greater economic and social opportunities and the capacity to determine their own lives	Develop new tourism product segments to meet market needs.
Vibrant communities that enhance and promote safety, a sense of openness, walkability, our rich cultural diversity and the Western Australian lifestyle.	Focus on WA icons and iconic experiences to increase the quantity, quality and diversity of sustainable tourism product. Develop iconic events for Western Australia. Develop new tourism product segments to meet market needs.
<b>GOAL 2: To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth</b>	
	Develop the tourism e-marketplace so that Western Australia is competitively positioned. Drive brand positioning, awareness and desire via a distinctive creative (the Real Thing). Undertake market segmentation research to identify key target segments in our prioritised markets. Develop a market prioritisation model to assist with revenue allocation. Develop marketing and communication programs that are focused and successfully implemented. Increase visitation and loyalty to westernaustralia.com. Drive creative and proactive PR and VJP activities. Capitalise on the international student market to increase tourism opportunities. Drive visitation particularly during shoulder seasons by undertaking targeted cooperative retail advertising campaigns, with an increasing emphasis on one-to-one marketing. Harness joint business opportunities with local, state and federal government. Undertake targeted trade initiatives to increase awareness of WA and its tourism product. Implement media, trade relations, sponsorship and public relations activities. Identify and attract key tourism travel trade events to Western Australia. Focus on WA's iconic tourism experiences to increase the quantity, quality and diversity of sustainable tourism product. Initiate product-focused partnerships so that tourism product can be further developed. Secure and leverage events to realise maximum media impact for Western Australia. Increase visitor numbers to Western Australia through events. Use major Perth and regional events to leverage tourism opportunities. Maximise business tourism. Develop iconic events for Western Australia. Use events to support and strengthen the recognition of WA iconic experiences. Ensure Perth has a vibrant city centre. Gather and communicate research intelligence to the tourism industry. Integrate tourism into overall planning, policy and development priorities of Western Australia. Build the capacity of businesses and their proprietors in Western Australia's tourism industry. Deliver world class visitor servicing and foster long term sustainability to increase length of stay and spend. Support a truly national tourism accreditation program and its roll out into the industry. Operate a high quality Visitor Centre providing a comprehensive information service. Develop a special events protocol for major international events in WA.

<b>Government Strategic Planning Framework</b>	<b>Tourism WA Strategic Plan 2005-2010</b>
Plentiful and diversified employment opportunities for Indigenous peoples to support Indigenous economic growth	Develop new tourism product segments to meet market needs.
Greater economic infrastructure that facilitates new development	Promote a whole of State approach to tourism infrastructure needs. Expand air services and overall air capacity to and within Western Australia.
Industrial development and investment that builds on Western Australia's strengths	Attract capital investment and facilitate re-investment.
An environment that encourages diversification, investment and exports for economic growth whilst ensuring that community and global environmental and social goals are met	Support a truly national tourism accreditation program and its roll out into the industry. Develop new tourism product segments to meet market needs.
All Western Australians sharing in the benefits of economic growth	Build the capacity of businesses and their proprietors in Western Australia's tourism industry. Deliver world class visitor servicing and foster long term sustainability to increase length of stay and spend. Secure and leverage events to realise maximum media impact for Western Australia.
<b>Goal 3: To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected</b>	
A world class system of national parks, marine parks and other conservation reserves	Integrate tourism into overall planning, policy and development priorities of Western Australia.
Effective management of marine and coastal resources, estuarine and inland environments	Integrate tourism into overall planning, policy and development priorities of Western Australia.
<b>GOAL 4: To ensure that regional Western Australia is strong and vibrant</b>	
Planning in partnership for a sustainable future	Integrate tourism into overall planning, policy and development priorities of Western Australia. Consult with the regional tourism organisations in the development of Tourism WA's marketing strategies and operational plans. Promote a whole of State approach to tourism infrastructure needs.
Improved regional infrastructure	Deliver world class visitor servicing and foster long term sustainability to increase length of stay and spend. Support the regional tourism organisations in relation to intrastate marketing. Implement Destination Development Strategies.
Diversified regional economies	Market regional areas of Western Australia. Conduct review of Destination Development Strategies.
Enhanced regional investment	Conduct review of Destination Development Strategies. Attract capital investment and facilitate re-investment.
Sustainable natural resource management	Support a truly national tourism accreditation program and its roll out into the industry.
<b>GOAL 5: To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future</b>	
Whole-of-government approaches to planning decision-making and resource allocation	Harness joint business opportunities with local, state and federal government. Promote a whole of State approach to tourism infrastructure needs.
Effective partnerships with Federal and Local Governments, the private sector and the wider community	Harness joint business opportunities with local, state and federal government. Integrate tourism into overall planning, policy and development priorities of Western Australia.
Influence over Commonwealth policy and resource allocation for the benefit of Western Australia	Integrate tourism into overall planning, policy and development priorities of Western Australia.
Increased use of Information Communications and Technology to provide better services to the community	Develop the tourism e-marketplace so that Western Australia is competitively positioned. Increase visitation and loyalty to <a href="http://westernaustralia.com">westernaustralia.com</a> Capitalise on the international student market to increase tourism opportunities.

## **Achievements in 2005 – 2006**

### **Destination Marketing**

In partnership with the tourism and travel industry and Tourism Australia, Tourism Western Australia promotes Western Australia as a desirable holiday destination in the core intrastate, interstate and international target markets. Tourism WA undertakes marketing strategies that maximise the economic benefit to the State. (Note: intrastate marketing activity is undertaken by the five Regional Tourism Organisations (RTOs) in accordance with formal contracts with Tourism WA. Funding is provided to each RTO for this purpose.)

#### ***Major Destination Marketing Achievements 2005 - 2006***

- Continued successful tourism marketing campaign, “The Real Thing”, with an additional \$6.4 million, funding major marketing campaigns in the United Kingdom, New Zealand and interstate markets. Campaigns included traditional media such as TV, press, and outdoor, and online/digital media.
- Built on awareness generated from “The Real Thing” campaign to implement innovative brand tactical campaigns in various markets with key distribution partners such as airlines and wholesalers to convert awareness of Western Australia into a travel booking. Some examples of these for the interstate market include key domestic wholesalers such as Qantas Holidays and Blue Holidays, Great Aussie Holidays, Broome & The Kimberley Holidays and Discover West. Tour operator programs were undertaken with APT, AAT Kings and Scenic Tours.
- Developed three comprehensive foreign language websites for the Japanese, Korean and Chinese markets, and innovative consumer online marketing campaigns in each country – a first for Tourism WA and for any Australian State Tourism Organisation.
- Developed a Country Pubs marketing campaign to support regional hospitality experiences, as part of the Government’s implementation of non-smoking regulations in July 2006. This was the first year of the intrastate campaign and included press, outdoor and online media.
- Produced a new motivational brochure on ‘Western Australia, The Big Picture’ in German, Japanese, Mandarin and Korean.
- Developed The Big Book of Western Australia, a comprehensive trade planner designed to assist the promotion of Western Australia and its tourism product amongst key international buyers and International Tourism Organisations.
- Opened first office in China and established trade marketing representatives in Korea and New Zealand to increase opportunities and, in New Zealand, to develop more strategic relationship building with key distribution partners such as airlines and major wholesalers.
- Boosted retail training programs to selected agents in key markets, and increased knowledge of key trade partners with targeted familiarisations such as Corroboree Down Under. This is an Aussie Specialist familiarisation designed to train and educate up to 200 UK Aussie Specialist agents about Australian tourism products. Western Australia hosted 30 agents on familiarisations after Corroboree workshops were staged in Adelaide in November 2005.
- Developed online retail trade training programs such as:
  - The Western Australian Aussie Specialist program which builds on Tourism Australia’s Aussie Specialist program with a Western Australian online module for agents to specialise in selling WA. There are WA Aussie Specialists in NZ, UK, Singapore, and Germany; and,

- 'Getting Real', a new e-magazine developed exclusively for the Australian travel trade to increase retail agents' knowledge of Western Australia to sell to the consumer.
- Successfully bid for the Australian Tourism Exchange 2008 (ATE). This provides an unprecedented opportunity to build on the success of ATE 2005 conducted in Perth.
- Participated in strategic and proven successful trade events and consumer holiday shows and expos in Australia, Asia, and Europe such as Pacific Asia Travel Association Travel Mart in Malaysia, Japan Association of Travel Agents Trade Show, Arabian Travel Mart (UAE), OzTalk (NZ), and Caravan and Camping Shows in Queensland, New South Wales, Victoria and South Australia.
- Met strategic objective of attracting a key tourism trade event to WA each year by securing and conducting Knecht Reisen Edutainment 2006. Knecht Reisen is a major long haul Swiss wholesaler which brings approximately 7,000 tourists to Australia each year. The event saw 100 retail travel agents undertake famils throughout the state, and a two-day workshop at Burswood Entertainment Complex.
- Developed and maintained third-party relationships to leverage destination marketing, such as MasterCard, Perth Education City, Perth Royal Show, Department of Industry and Resources, Rotary Club of Perth; and, Channel 7 for The Great Outdoors and New Idea magazine to promote Western Australian industry offers.
- Further developed non-traditional marketing partnerships in-market such as:
  - Outback Steakhouse – a restaurant chain with 70 restaurants throughout Korea, attracting 2 million diners a month. This project involved a three-month online and offline promotion for Western Australia.
  - LG Card (Korea) – LG invested AUD \$1.2 million towards the promotion of Western Australia through a 12-month competition where four groups of 30 people won the right to buy a special LG Card WA holiday package.
  - Work and Travel Company – a German owned organisation headquartered in Sydney that finds short term work placements for international travellers/backpackers from Europe, the USA, Japan and Asia, and also provides the security of a 'home office' where mail can be sent, luggage stored and bank accounts set up. An office is planned for Perth, an initiative which will give WA the potential to leverage a greater share of the working holiday market, particularly such a strong market as Germany.
- Led senior delegations to New Zealand, China, Korea and Japan to conduct strategic discussions with airlines to increase air services and capacity on existing routes, and pursue the introduction of non-stop air services and charters from Western Japan, and non-stop air services from China and Korea.
- Further developed Customer Relationship Marketing activities, via proactive and targeted online communications, including growing our customer database to approximately 220,000 regular e-newsletter subscribers.
- Attracted a record number of unique visitors (approximately 1.5 million users) to westernaustralia.com. This represented a 61.5% increase on the previous year.
- Awarded the prestigious Golden Award of Montreaux for Tourism WA's UK campaign micro-site 'therealaustralia.co.uk', in the Multimedia/Web/CD-ROM Travel category. The award is one of the leading advertising competitions in Europe.
- Won the highly recognised National 2005 Internet Awards in the category of Best Online Promotion for Tourism WA's interstate campaign micro-site "Win a Real Australian holiday'.

- Enhanced the delivery of targeted and strategic public relations in key markets and expanded public relations activities to further leverage our existing media buys. Establishment of a new public relations role in Perth resulted in more than \$1 million in additional publicity in key markets.
- Gained massive exposure for Western Australia through global public relations activities. Television programs such as the Amazing Race and BBC World's Peschardt's People reached an audience in the hundreds of millions across more than 50 countries. The publicity value of these and other key public relations projects is estimated to be more than \$10.6 million.
- Implemented extensive media and trade familiarisations program to bring journalists and travel agents from around the world to Western Australia, with 200 trips in Western Australia for more than 1000 high profile participants. Publicity from this program is estimated to be in excess of \$53.7 million globally. This program cost \$1.56 million to deliver, including salaries and on-costs, and the Western Australian tourism industry contributed about \$885,500 in cash or in-kind support.
- Began the State-wide rollout of eMarketplace partner websites to include all five regional tourism organisations, accredited visitor centres, other tourism agencies and niche marketing websites - a total of 15 websites have been produced. The full Tourism eMarketplace project was funded by the Department of Treasury and Finance, through an allocation of \$15 million over 10 years.

## Event Tourism

Tourism WA develops, attracts, supports and, where appropriate, manages events that are capable of generating substantial economic benefit and visitor expenditure and can cost-effectively market Western Australia nationally and internationally. Events which showcase Western Australia's five iconic experiences of outback and adventure, marine, forest and flowers, wine and food and people and lifestyle are a priority for Tourism WA.

### ***Major Event Tourism Achievements 2005-2006***

- Won the right to host the elite, innovative and spectacular international Red Bull Air Race and Festival in Perth in 2006, 2007 and 2008. The event features extreme aerial manoeuvres at low flying altitudes, and is expected to attract approximately 100 million viewers worldwide, over 3,000 interstate and international visitors and will showcase Perth's spectacular river and city skyline.
- Secured the right to host the third Ashes Cricket Test in December 2006. The anticipation of this event is already having an impact on our national and United Kingdom travel markets with the sale of over 3,000 travel and tour packages. Working with the WACA, a festival called Cricket City will be built around this coveted event.
- Achieved an exceptional 24.9% WA brand visibility on extensive global television broadcast of The Johnnie Walker Classic through well placed "Perth" branding. This returned \$1.9 million in media value.
- Achieved high leveraging results for the Aussies Surf Life Saving event. One promotion in Queensland resulted in 2,500 bookings for the Perth event.
- Supported the Four Nations Basketball Tournament which achieved over \$2 million of sponsorship media value with an audience of 6.7 million, predominantly in China.
- Financially supported a record 26 regional events throughout the State through the expanded Regional Event Scheme. Events supported included community events such as the Geraldton Sunshine Fest and the Gascoyne Festival; and sporting events such as the Geographe Bay Race Week, a sailing regatta, and The Great Western Australian Bike Ride, which was staged

throughout Australia's South West and attracted approximately 2,600 riders, including 1,500 from interstate and overseas.

- Awarded Runner Up Rally of the Year by the world rally teams, for Telstra Rally Australia 2005, and commended for being one of the best organised events on the FIA World Rally Championship calendar.
- Conducted industry consultation to assess the opportunity to develop an event for Western Australia which is uniquely Western Australian and has the capacity to generate significant community support and over time, achieve icon status.

## **Convention and Incentive Travel**

The Perth Convention Bureau (PCB) is contracted by Tourism WA to accelerate the growth of convention, exhibition and incentive travel business to generate economic benefit for the people of Western Australia. The PCB aims to position Western Australia as the dominant convention, exhibition and incentive travel destination in the Asia Pacific region 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; and
- Promoting pre and post conference touring activities to increase delegate length of stay.

### ***Major Convention and Incentive Travel Achievements 2005 - 2006***

- Secured business worth \$72 million, achieving the target of \$71.25 million. The results included two of the largest international incentive travel business sales ever for Western Australia. The two groups of 3,350 and 3,000 are expected to generate delegate spends of \$7.62 million and \$6.68 million respectively. The new convention bidding fund of an additional \$1 million from the State was instrumental in securing a number of 800-plus delegate conventions.
- Expanded the international award-winning scholarship and conference development awards program. Burswood Entertainment Complex and Westralia Airports Corporation sponsored industry specific scholarships for medical research and tourism and aviation and the WA Department of Industry and Resources sponsored three conference development awards.
- Increased the research focus on developing convention sales leads, producing a total of 144 leads – more than double the number of the previous year, representing opportunities to target up to 88,900 delegates and an estimated \$147 million in direct delegate expenditure.

## **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;
- Enhancing existing products by encouraging product providers to become quality assured and by providing business development seminars through the Better Business Blitz program; and
- Improving information and services to visitors to Western Australia.

Industry Development works to raise the profile of nature-based tourism and to develop niche sector product, such as indigenous tourism and cultural tourism.



### ***Major Industry Development Achievements 2005 – 2006***

- Released the first Landbank site, at Rottne Island (Mt Herschel), through a two-stage tender process.
- Cabinet endorsed the recommendations of the Tourism Planning Taskforce that was established to examine issues surrounding residential developments on tourism-zoned land. Tourism Western Australia has appointed a dedicated urban planner to assist the Department for Planning and Infrastructure in implementing all 26 recommendations.
- Expanded the Better Business Blitz program, with 17 Blitzes held across the State, training approximately 485 tourism operators. Blitz programs are tailored to address the needs of the tourism industry in a particular region, and aim to build capacity to better operate tourism businesses. Programs focused on topics such as marketing, business planning and development, financial management, and packaging and distribution.
- Extended the Better Business Blitz program to assist regional hotel and pub operators to plan for business continuity, smoothing the transition to full smoking bans. A toolkit called 'No Ifs No Butts' was developed for their use, and regional workshops in main regional centres and one-on-one consultation sessions to support the toolkit will be rolled out from mid August 2006 to late December 2007.
- Raised the awareness of Western Australia as an investment opportunity to key accommodation brands and operators. Activities have included overseas investment missions, generating leads with selected investors, attending national and international investment forums and working with WA trade offices overseas.
- Implementation of additional activities and strategies of the five Destination Development Strategies, through Tourism WA's 10 Regional Managers. These activities included working with the Department of Environment and Conservation to develop tourism operations within national parks, facilitating better promotion of visitor attractions and activities within regional areas, helping tourism operators to increase business profits via Better Business Blitz yield management courses and sourcing financial support for community-owned tourism development projects.
- Completed development of the Aboriginal Tourism Strategy for Western Australia, a whole-of-government strategy which aims to support the development of Indigenous tourism businesses throughout Western Australia.

### **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, the Western Australian Tourism Network and the Western Australian Visitor Centre.

### ***Major Visitor Servicing Achievements 2005 – 2006***

- Implemented priority recommendations of the Visitor Servicing Study to develop a 'culture of visitor servicing' by focusing resources on major tourist destinations, accreditation and the economic sustainability of Visitor Centres. Fifty Visitor Centres have now been accredited through the National Tourism Accreditation Program. Online booking systems have been installed in 33 Visitor Centres with dedicated Visitor Centre websites. Grants through the Visitor Centre Telephony Scheme, Visitor Centre Premises Enhancement Scheme and the Visitor Centre Collocation Scheme enabled Visitor Centres to apply for funding to: upgrade outdated telephony equipment, address the gaps identified

in the Visitor Centre audit and help achieve accreditation and to capitalise on the resource efficiencies presented by collocation.

- Conducted training on the Visitor Centre Operations Manual at 30 locations around the State with over 240 Visitor Centre staff and managers attending.
- Delivered the first Visitor Centre Indigenous Trainee scheme, which saw nine Indigenous trainees complete the program and begin employment. Two of these traineeships were placed at the Western Australian Visitor Centre and both trainees now work at the Centre.
- Continued, through the West OZ Welcomers (WOWs) Tourism WA's volunteer meet and greet service, to provide a unique and invaluable service to visitors to Western Australia. The WOWs work about 800 person hours per month to greet and assist arriving passengers at Perth domestic and international airports and the East Perth Rail Terminal, as well as US Navy visits and cruise ships.
- Reviewed the Virtual Call Centre telephone system to assess options for new technologies that have become available since the system was introduced in 2001.
- Enhanced the quality of information on the WA Tourism Network. A review of all Australian Tourism Data Warehouse content was undertaken to ensure its currency and check the quality of images and text on tourism product. Operator brochures in PDF format were added as well as improving links to online booking systems.
- Featured 380 WA Tourism Network Members in the Holiday Specials area of [westernaustralia.com](http://westernaustralia.com), bringing significant increases in click-throughs to these product listings. The Holiday Specials section is free for Network members and averages over 25,000 page impressions each month.
- Implemented the findings of the review of the Western Australian Visitor Centre, introducing a new business model at the Centre to increase productivity and efficiency. A retail sales partner, Best of Western Australia Travel Centres, began handling the retail transactions and booking functions at the Centre in April 2006.

## Outlook for 2006-2007

### *Destination Marketing Plans for 2006 – 2007*

- Implement major brand campaigns for the United Kingdom, New Zealand and Interstate markets. Each campaign will comprise a selection of traditional media such as TV, press, and outdoor, and an online/digital component. Within Australia, WA will continue to be marketed as 'The Real Thing', and as 'The Real Australia' internationally.
- Refresh 'The Real Thing' television commercial with new footage captured this year in a Statewide film shoot.
- Deliver an innovative campaign for the Japanese market, which may use new media such as mobile phone technology or ambient media such as street theatre to convey 'The Real Australia' brand message, and attempt to cut through the huge volume of advertising in Japan.
- Award a new contract for offline and digital creative and media advertising services, as our existing advertising contract expires.
- Produce WA's overall tourism marketing collateral, the 'Big Picture' brochure, in English, German, Japanese and Mandarin.
- Run the second-year of the \$500,000 Country Pubs campaign, to help smooth the transition to a non-smoking environment in regional Western Australian pubs and hotels.
- Participate in and support other WA exhibitors and the tourism industry at the NATAS and MATTA travel fairs in Singapore and Malaysia respectively, attend Backpacker Expos in Sydney and Melbourne, and attend Caravan and Camping Shows in South Australia, New South Wales, Victoria and Queensland.
- Complete and launch the redesign of westernaustralia.com and consumer e-newsletters with improved design, content and usability.
- Develop and launch new media opportunities such as online communities and video streaming on westernaustralia.com.
- Further develop Customer Relationship Marketing activities including further qualifying and growing our customer database to provide relevant digital communications to our consumers.
- Enhance the delivery of targeted and strategic public relations in key markets. Expand public relations activities to further leverage our existing media buys and focus on key areas of online and broadcast.
- Deliver a targeted media and trade awareness program to improve publicity about the State as well as sales of WA tourism product in key markets.
- Undertake a number of innovative brand tactical marketing campaigns across Tourism WA's active markets to convert growing awareness of Western Australia and desire to visit into a travel booking. Tactical campaigns are currently planned with key distribution partners such as airlines, wholesalers and retail partners.
- Maintain a commitment to attend relevant trade shows to support WA tourism operators in Tourism WA's active markets and Australia, including PATA Travelmart in Hong Kong, Japan Australia Mission (JAM) and Japan Association of Travel Agents (JATA) in Japan, ITB Berlin,

ATEC Symposium, OzTalk South East Asia, and OzTalk New Zealand and the Australian Tourism Exchange 2007 in Brisbane.

- Support the five Regional Tourism Organisations to conduct product roadshows in New Zealand, United Kingdom, Japan and on the east coast of Australia.
- Build new and consolidate existing relationships with Inbound Tourism Operators with a dedicated staff resource focusing on building WA content in influential inbound tourism programs.
- Maintain existing formal representation with marketing companies in New Zealand and Korea. Continue to develop Korea following the first year of marketing activity there in 2005-2006, and continue to build on the strong growth we have generated in New Zealand.
- Undertake major airline large famils from New Zealand and Australia and bid for significant trade events, workshops and large famils such as Flex Travel Product Lounge. The Flex Travel Product Lounge workshop is planned for Western Australia in May 2007 as a result of WA being named the Flex Travel "Destination of the Year". The Product Lounge will bring 50 Swiss retail agents to Western Australia to undertake touring and workshop sessions to learn first hand about the destination.
- Maintain commitment to the Western Australian Tourism Exchange to ensure that buyers (inbound tourism operators and wholesalers) and sellers from around Australia meet WA operators and experience their products first-hand during pre and post famils throughout the State.
- Continue a strong focus on Tourism WA's aviation strategy to strengthen and build relationships with existing and potential airlines through senior and Ministerial delegations. Western Australia, via its strategic initiatives, can have some influence over airline activities into Western Australia to continue to expand inbound air services, overall capacity and competition.
- Undertake significant marketing activities with airline partners in emerging markets such as China, South Korea and Western Japan to increase market awareness and conversion, which is essential to attract new airlines or have them introduce new non-stop flight linkages.
- Redevelop [www.westernaustralia.com](http://www.westernaustralia.com) to produce four geographically targeted consumer websites and a separate corporate/industry website.
- Continue to build and support a growing network of eMarketplace tourism websites.
- Enhance functionality of all websites: tourism product booking facility, improved mapping, eNewsletters, secure members areas and new media capabilities.
- Create online State-wide consumer events and trade marketing calendars.

#### ***Event Tourism Plans for 2006 – 2007***

- Renegotiate the contract between the Australian Rugby Union and Tourism WA at a reasonable cost to the State to continue annual international rugby Test matches in Perth for 2007-2010.
- Secure Cabinet approval for the State wide "Special Events Protocol".
- Identify and assess particular sailing events for the State in line with EventsCorp's Sailing Strategy.

- Begin work on the premier four-wheel drive and cross country endurance motor sport event, Australian Safari, which will be held in Western Australia in 2007, 2008 and 2009.
- Refine current funding criteria to diversify the calendar to include a greater mix of sporting, arts and cultural events.
- Continue to work on developing WA-owned events that align with the State's five iconic tourism experiences.
- Seek to re-contract Ironman Western Australia and Hopman Cup.
- Develop new media opportunities through online events on [westernaustralia.com](http://westernaustralia.com).

#### ***Convention and Incentive Travel Plans for 2006 – 2007***

- Capitalise on the 2006 changes to the Convention Bid Fund which will give the Perth Convention Bureau more flexibility to involve private sector partners and a broader target of 500-plus delegate conventions. This should enable PCB to secure conventions that did not qualify for previous funding assistance.
- Continue to build the PCB's corporate meeting and incentive business, through identifying the 'hottest 100' corporate targets in core markets of Singapore, Malaysia, Sydney and Melbourne, making sales calls and participating in trade shows and Team Australia activities (a business tourism alliance co-ordinated by Tourism Australia). As well as conducting site inspections and familiarisations for potential clients, the PCB will also conduct electronic promotional campaigns.
- Build on the lead generation research program, through in-market research and a strong focus on Government, academia and industry as well as the expansion of the PCB's scholarship and conference development awards program.

#### ***Industry Development Plans for 2006 – 2007***

- Launch and implement the Aboriginal Tourism Strategy developed in 2005 – 2006 which aims to support the development of Indigenous tourism businesses throughout the State.
- Complete and launch the Heritage Tourism Strategy for Western Australia – a joint initiative undertaken with support from the Heritage Council of Western Australia.
- Launch and implement the Adventure Tourism Taskforce Report.
- Continue the Landbank initiative with a targeted five additional sites released in 2006 - 2007. A thorough investigation of sustainable development opportunities at key National Parks will be undertaken.
- Ensure we focus on the new and growing source of development capital emerging from the growing superannuation investment funds.
- Commence implementation of the Tourism Planning Taskforce report on strata titling – a joint initiative with the Department for Planning and Infrastructure. A strategic Tourism Sites Committee will be formed to determine future tourism developments' needs throughout the State.
- Continue creating awareness among domestic and international tourism investors that Western Australia has many and varied investment opportunities.

- Enhance State-wide iconic experiences by developing tourism product within areas of identified product gaps highlighted within the Destination Development Strategies.
- Enhance tourism business performance and adaptability through Better Business Blitz programs.
- Complete the review of the Destination Development Strategies.
- Re-launch the second round of the Indigenous Cadetship Program.

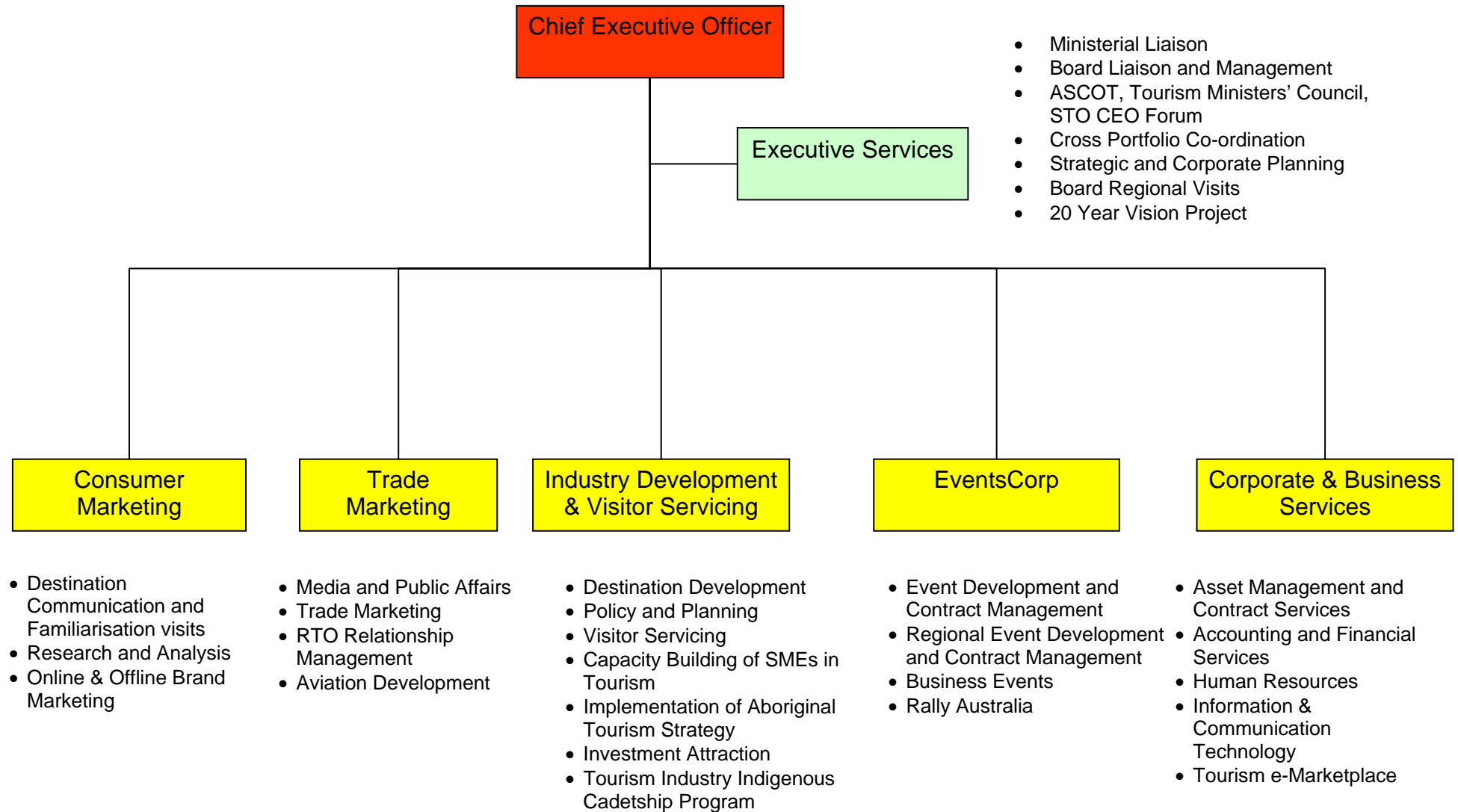
### ***Visitor Servicing Plans for 2006 – 2007***

- Provide world class visitor servicing and continue to develop the commercial relationships of the retail sales partner, Best of Western Australian Travel Centre at the Western Australian Visitor Centre by increasing the number of tourism partners involved. Develop a joint website presence for the Western Australian Visitor Centre and Best of Western Australia Travel Centre.
- Continue the implementation of the 69 recommendations of the Visitor Servicing Study released in 2004. The focus during 2006/07 will be assisting Local Government to get the best return on its investment in visitor servicing and delivery of the Local Government Options Kit.
- Maintain the number of Visitor Centres which are accredited (50 at the end of the current financial year) and develop the capacity and sustainability of regional Visitor Centres through professional staff development programs such as staff exchanges.
- Increase the online presence and professionalism of Visitor Centres and their exposure to e-commerce systems and distribution.
- Continue the Visitor Centre Indigenous Traineeship Scheme.
- Continue to facilitate the standardisation of names of Visitor Centres, to be identified as “Visitor Centre” and replace outdated signage.
- Add value to Western Australian Tourism Network membership by increasing members’ exposure through online promotional activities and opportunities via [westernaustralia.com](http://westernaustralia.com), including use of search engine optimisation strategies.
- Develop Western Australian Tourism Network memberships with non-core businesses, such as restaurants and hotels, and promote these services and activities online so that visitors to Western Australia are aware of the broad range of products and experiences available to them during their holidays.
- Implement the findings of the Virtual Call Centre review to ensure that the technology used in the distribution of telephone calls through the Australia wide toll free information and booking service continues to use the most up to date, customer friendly and efficient technologies available.
- Increase the amount of Indigenous tourism product available on [westernaustralia.com](http://westernaustralia.com) with the inclusion of over 50 members of the Western Australian Indigenous Tourism Operators Committee (WAITOC) in the membership of the Western Australian Tourism Network.

## **Our People**

As at June 30 2006, Tourism WA had 169.6 (full time equivalent) employees and an average of 164 employees over the year, primarily located in Perth at head office or the Western Australian Visitor Centre. Tourism WA also has industry development managers in regional Western Australia as well as national and international marketing staff in Sydney, Singapore, Tokyo and Shanghai.

### **Tourism WA Organisational Chart**





### **Executive Management Team**

The Chief Executive Officer, Richard Muirhead, the five Executive Directors, the Executive Services Manager and the Strategic and Corporate Planner are ongoing members of the Executive Management Team (EMT).

#### **Richard Muirhead, Chief Executive Officer**

Richard Muirhead, a qualified Town Planner, joined the Western Australian Public Sector in 1987, bringing with him some 14 years of private sector experience in market research and marketing, including in his own company which was sold to a major national research group in 1986. He joined the (then) Western Australian Technology & Industry Development Authority as Director, Marketing Division. Apart from two years in London (1990-1991) as Director of Trade and Investment of the Western Australian European Office, he remained with the Department in its various guises as Executive Director of Trade and Industry Development until 1997, when he was appointed Chief Executive Officer of the WA Department of Commerce & Trade, the State's premier industry and trade development agency. He held this post until May 2001 when he left to head up Tourism Western Australia. He was formally appointed Chief Executive Officer of Tourism WA in December 2001.

#### **Madeleine Bertelli, Executive Director EventsCorp**

Madeleine has been the Executive Director of EventsCorp since July 2002, when she returned to Perth after a successful eight-year career in the Asia Pacific region with MasterCard International and VeriFone Inc. Based in Singapore, Madeleine was MasterCard's Vice President and Country Manager for Singapore where she was responsible for all aspects of the business including trade and consumer marketing and event management. Madeleine's key activities in event management involved maximising the organisation's sponsorship assets which included Commonwealth Games, PGA Golf, Grand Prix Formula One, Heineken Open Tennis and the Rotary International World Conference. At VeriFone, Madeleine established and directed the regional marketing division. She holds an MBA (with distinction) from Hull University (UK) in strategic marketing.

#### **David Etherton, Executive Director Industry Development & Visitor Servicing**

David, appointed Executive Director Industry Development and Visitor Servicing in May 2004, has extensive knowledge about Western Australia, having worked and travelled throughout the length and breadth of the State during his 13 years in the tourism industry. With a degree in economics from the University of Western Australia, he began his career as Manager of the Karratha Visitor Centre in the State's northwest. He joined Tourism WA in January 1996 at the Western Australian Visitor Centre (WAVC), before being appointed Manager in August 1997. While there, David established the WA Tourism Network, which collects, collates and distributes electronic tourism data for tourism operators in Western Australia. He was appointed Director Industry Development in November 2002, setting the agenda for Tourism WA activities in infrastructure development, investment attraction, planning and policy development and continuous improvement.

#### **Jane Ghiretti (nee Seman), Executive Director Consumer Marketing**

Jane was appointed in to the newly created position of Executive Director Consumer Marketing in June 2004, having joined Tourism WA in November 2001 as Manager Research and Analysis. Her prior experience includes over eight years working for a marketing and research consultancy, developing marketing strategies and brand positioning and evaluation of marketing programs and advertising for television, press and radio campaigns. Since 1996, Jane has been actively involved in the research, development and 'refresh' of the current Brand WA positioning strategy for Tourism WA, both from a supplier side (as a private sector research consultant) and more recently on the client side as a Tourism WA executive. She has also been heavily involved in Tourism WA's marketing effectiveness review and various market segmentation studies.

### **Rick Thomas, Executive Director Trade Marketing**

Rick has had an extensive career in tourism, beginning in the early 1970s with a coach company in the United Kingdom. Since joining the (then) Western Australian Department of Tourism in 1977 as a travel consultant in its Sydney Office, Rick has held a variety of positions in Tourism WA including Interstate Marketing Manager, Product Development Manager and General Manager International Sales and Marketing. His tourism marketing achievements include introducing Brand Western Australia to the global marketplace and the delivery of the memorable Elle MacPherson tourism campaign. More recently, Rick has headed a Marketing Effectiveness Review and chaired the Destination Australia Partnership between all Australian State Tourism Organisations and Tourism Australia, which is delivering a more streamlined national approach to international tourism marketing.

### **Stephanie Withers, Executive Director Corporate & Business Services**

Stephanie, seconded to the position of Executive Director Corporate and Business Services in February 2005, was appointed in late 2005. She has held senior positions in the corporate and business area within the State Government since 1987. Stephanie has been General Manager Corporate Services at Central TAFE, Director Human Resources at the Department of Justice and Director Corporate Services within the Prison's Division of the Justice Department. Prior to 1987 Stephanie was a Commonwealth public servant. She held the position of State Director of Migrant Settlement for the Department of Immigration for nine years and also held several positions in the Department for Social Security.

### ***Employee Profile***

Employee profile indicators for 30 June 2006 are as follows:

<b>Classification Level</b>	<b>Full Time Equivalents</b>	<b>Males (%)</b>	<b>Females (%)</b>
Level 9 & above	6.0	50	50
Level 8	10.0	60	40
Level 7	12.8	31	69
Level 6	20.4	69	31
Level 5	28.7	62	38
Level 4	21.4	28	72
Level 3	27.7	9	91
Level 2	28.8	17	83
Level 1	10.8	28	72
Overseas	3.0	67	33
<b>Total</b>	<b>169.6</b>	<b>37</b>	<b>63</b>

#### **Notes:**

Excludes: Casuals, employees seconded-out, employees on leave without pay and seconded-in personnel not paid by Tourism WA.

Includes: Seconded-in personnel paid by Tourism WA.

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

Tourism WA maintained its commitment to the promotion and improvement of equal employment opportunity and diversity. Initiatives include:

- Introduction of the Tourism Industry Indigenous Cadetship Program in partnership with five major private sector tourism organisations. A total of four Indigenous Cadets has been employed under the program, one with Tourism Western Australia.

- A target group comprising Level 4-6 female employees was provided with increased access to career and management development opportunities (including lunch seminars and consideration for Chairman's Scholarships).
- Two Indigenous trainees completed their program and have gained employment at the Western Australian Visitor Centre. One new Indigenous trainee has commenced at the Visitor Centre.

### Improved Distribution of Women

	<b>30 Jun 06 Tourism WA Actual</b>	<b>30 Jun 06 Government Objective<sup>2</sup></b>	<b>30 June 2005 Public Sector Actual<sup>2</sup></b>
Distribution (Equity Index) <sup>1</sup>	71	66	63
Management	60%	32%	29%
Tier 2			
Tier 3	36%	36%	33%

#### Notes:

1. The *Equity Index* is a measure of "compression" or the extent to which a given occupational group is primarily to be found at the lower classification levels. The calculation is usually performed for women as their numbers are such that a meaningful index can be calculated. An index below 100 denotes that women in the group are "compressed" into the lower working levels; the lower the index the greater the degree of compression.
2. Data sourced from the Equity and Diversity Plan for the Public Sector Workforce 2006-2009, Department of the Premier and Cabinet.

### Greater Workforce Diversity

	<b>30 Jun 2006 Tourism WA Actual</b>	<b>30 Jun 06 Government Objective</b>	<b>30 June 2005 Public Sector Actual<sup>2</sup></b>
	<b>% of Workforce</b>	<b>% of Workforce</b>	<b>% of Workforce</b>
Indigenous Australians	2.7	2.6	2.5
People with Disabilities	0.7	3.6	1.7
People from Culturally Diverse Backgrounds	10.0	9.25	8
Youth (<25 yrs)	13.3	6.5	5.7
Mature workers (45 yrs and above)	31.1	-	-

#### Notes:

1. This data is from information voluntarily supplied by new and existing employees.
2. Equity indexes have not been reported as they are not a valid measure for groups less than 10 employees and in the case of youth, due to the high correlation between age and salary.

### Employee Learning and Development

In addition to 'off-the-job' training of employees, initiated within individual work units, Tourism WA at a whole-of-organisation level has supported employee development through the following organisational initiatives:

- Chairman's scholarships totaling \$29,850 were awarded to 18 employees for recognised courses of study at University or TAFE or for professional development courses through the Australian Institute of Management. Each year, scholarships are offered to current employees to ensure

Tourism WA equips employees with the skills and expertise needed to drive our industry into the future.

- Introduction of a Management Development Program aimed at 3<sup>rd</sup> and 4<sup>th</sup> tier managers as well as level 4 to 6 female employees. A broad range of management courses are being offered to the target group.
- Provision of in-house training courses including 'Decision Making' and 'Writing Skills for Modern Government' workshops.
- Supporting employee secondments to other public sector agencies (including Department of Culture and the Arts, Department of the Premier and Cabinet, the Office of Shared Services and the Department of Education and Training). Secondments provide employees with the opportunity to gain on-the-job knowledge and experience in a different working environment.

Work experience opportunities and structured undergraduate student placements are also part of Tourism WA's development program and are designed to assist individuals considering a career in the tourism industry. Tourism WA provided a total of 13 such opportunities during the year for TAFE and university students.

### ***Safe Working Environment***

Tourism WA continued its commitment to the promotion of a safe and healthy work environment. Initiatives during the year included:

- Provision of group information sessions and individual ergonomic assessments as required.
- Influenza vaccinations (41 employees participated).
- Subsidised entry to the City to Surf fun run (71 employees and immediate family members participated).
- On-site therapeutic massages (coordinated by Tourism WA but paid for by employees). More than 35 employees accessed this service on a regular or ad-hoc basis.
- Subsidised entry to the Freeway Bike Hike (64 employees, family and friends participated).
- On-site yoga sessions (coordinated by Tourism WA but paid for by employees). Approximately 20 employees participated. Relaxation classes were also conducted, with approximately 12 employees participating.
- The Corporate Sports Challenge attracted a number of staff to participate in Volleyball (4 teams), Croquet (2 teams), Soccer (2 teams) and Petanque (1 team).
- Provision of shower and change facilities within the Perth head office.
- Provision of two secure bike parking areas within the Perth head office.

Occupational safety and health indicators for 2005-2006 are as follows:

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

### **Public Sector Standards**

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

Tourism WA 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 Tourism WA's intranet.

The number of applications for breach of Public Sector Human Resource Management Standards and corresponding outcomes for 2005-2006 were:

Number lodged	1
Number of material breaches found	0

### **Leave Liability**

Leave liability indicators for 2005-2006 are as follows:

Average annual leave weeks per FTE	4.0
Average long service leave weeks per FTE	2.3

*Note:*

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

### **Employee Support and Career Transition Assistance**

Tourism WA continued to provide access to employees and their immediate family members to a funded employee assistance program. Employee assistance programs enable individuals to discuss work or personal issues in complete confidentiality with professionally qualified psychologists or social workers. Tourism WA's employee assistance program is promoted via information postcards included in employee induction kits and an annual briefing session conducted by a counsellor from the contracted service provider.

Career transition assistance was provided to staff impacted by changes in the business operations of the Western Australian Visitor Centre and staff of Rally Australia given its cessation at the end of 2006.

### **Industrial Framework**

Tourism WA's primary industrial Award and Agreement, covering over 95% of employees, are:

- Government Officers' Salaries, Allowances and Conditions Award 1989
- Government Officers' Salaries, Allowances and Conditions General Agreement 2004

A replacement Agreement has been negotiated and agreed between the State Government and the Civil Service Association, and is expected to be registered at the end of July 2006.

The Agreement will provide for two salary increases: 4.5% in March 2006 and 4% in March 2007.

### **Human Resource/Payroll Information Management System**

Tourism WA's human resource/payroll information management system (Alesco), sourced from Talent2 Works Pty Ltd, was upgraded during the year from version e807.1 to e807.3.

Tourism WA continued to use the increased functionality of this system, introducing online access for employees to enquire on their own leave balances and personal details.

## **Corporate Governance**

### ***Enabling Legislation***

Tourism Western Australia is established under the *Western Australian Tourism Commission Act 1983* ("The Act"). The Minister responsible for the Commission is the Minister for Indigenous Affairs; Tourism; and Culture and the Arts. In July 2004, the Western Australian Tourism Commission changed its trading name to Tourism Western Australia (Tourism WA). Note that legal and contractual documents are signed in the name of the Western Australian Tourism Commission.

The Act, as amended in 2003, provides for the establishment of a governing Board of ten 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-to-day operations are delegated by the Board to the Chief Executive Officer and the Executive Management Team.

### ***Board Members***

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

Alan Mulgrew was appointed Chairman in December 2001. Mr. Mulgrew is the founding Director of Strategic Solutions (WA) Pty Ltd, Chairman of Western Carbon Pty Ltd and a Director of BAC Holdco Pty Ltd and Doric Group Pty Ltd. Mr. Mulgrew has also held a number of senior executive positions in airport management both in Australia and overseas including responsibility for Perth and Sydney Airports.

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

Laurie O'Meara is a past-President of Tourism Council Western Australia and champion of the Tourism Accreditation program. Mr O'Meara is a driving force in this area and was the inaugural President of the Australian Tourism Accreditation Association. He is also the Chairman of the Rottnest Island Authority Board and member of the Perth International Arts Festival Board. Mr O'Meara's extensive experience includes operation of the Emerald Hotel in Perth and Emerald Colonial Lodge in Margaret River.

#### **Helen Creed**

Helen Creed is the former Vice-President of the ACTU and Chair of the ACTU's women's committee. As the former State Secretary and the former National President of the Australian Liquor, Hospitality and Miscellaneous Workers Union she is ideally placed to voice both the concerns and aspirations of workers within the tourism industry. Ms Creed is a published author, writing particularly in the areas of industrial relations and social welfare, and has served on the Board previously from June 1992 to December 1993. Ms Creed resigned from the Board in April 2006 to take up a position within Government.

#### **Janet Holmes à Court**

Janet Holmes à Court is Chairman of Heytesbury Pty Ltd, a family owned company with extensive business interests in Australia. Heytesbury owns and operates enterprises in the cattle, wine, construction and racehorse industries. In addition, it holds a significant collection of Australian art and investments in the construction industry and property. Mrs Holmes à Court is Chairman of the John Holland Group, West Australian Symphony Orchestra, Australian Children's Television Foundation and

the Urban Design Centre of Western Australia. She is also a Board Director of Vision 2020 Australia, a Governor of Sony Foundation Australia and a Board Member of Rio Tinto WA Future Fund. Mrs Holmes à Court is a science graduate from the University of Western Australia and taught science for a number of years before working more closely with family business matters.

#### **Kate Lamont**

Kate Lamont is an operating partner in the Lamont family business which operates wine production and sales with restaurants in the Swan Valley, Margaret River and East Perth. Ms Lamont has more than two decades of experience in the food and wine tourism industry and has served on the Australian Tourism Commission Board. Ms Lamont also chaired the Swan Valley Planning Committee for seven years and sits on both the Winemakers Federation of Australia's wine tourism alliance and research and development priority setting group as well as the State Government's Skills Formation Taskforce representing hospitality and tourism interests.

#### **Sonja Mitchell**

Sonja Mitchell is the Chief Executive Officer and partner in the Kununurra based aviation and tourism company Slingair. Ms Mitchell began her association with Slingair 14 years ago and has held a variety of roles as pilot, Operations Manager, Product Development Manager and Marketing Manager. Ms Mitchell has held positions on the boards of the Kimberley Tourism Association and the Kununurra Chamber of Commerce. She is currently a member of the Gelganyem Trust Business Incubator. She was awarded the Individual Award for Excellence at the 2006 Australia's North West Tourism Awards.

#### **Michael Monaghan AM**

Michael Monaghan is a third generation hotelier with over 35 years experience in the hospitality industry. He was the National President of the Australian Hotels Association from 1996 to 1998 and was awarded national life membership in 2000 for services to the hospitality industry. He was the State President of the WA Branch of the Australian Hotels Association and was awarded life membership in 1997. As the licensee of the Subiaco Hotel and a stakeholder in other hospitality interests in Western Australia and the Eastern States, Mr Monaghan employs over 170 people and has extensive understanding of the needs of the tourism and hospitality industries. In addition, he is the Chairman of the EventsCorp Committee. He was appointed as a member of the Order of Australia on 26 January 2006 for his services to the hospitality and tourism industries and the community.

#### **Anthony Quahe**

Anthony Quahe is a partner with the law firm Wojtowicz Kelly Legal. 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 is one of a handful of practising lawyers in Western Australia with an accounting qualification. Singapore-born, Mr Quahe speaks mandarin and was the Chairman of Celebrate WA.

#### **Dr David Smith**

Dr David Smith is currently Managing Director of Pilbara Iron, which manages the assets and operations of both Hamersley Iron and Robe River. He first joined the Rio Tinto Group (then CRA) in 1979 in the Research & Technology area at Comalco and was appointed General Manager Research & Technology in 1986. In 1993, Dr Smith became General Manager of Dampier Salt's operations. More recently he has held the roles of General Manager for Pacific Coal's Tarong Operations and Managing Director of Rossing Uranium in Namibia. Dr Smith holds a PhD in Metallurgy from the University of New South Wales, and is a Fellow of the Williamson Leadership Group. He is also President of the Western Australian Chamber of Minerals and Energy, a Board Member of the Australian Institute of Management and of Leadership Western Australia, a Councillor of the Australia Business Arts Foundation and has recently been appointed to the Board of the Rio Tinto WA Future Fund and the Rio Tinto Aboriginal Foundation.

**Rob Gurney**

Mr Gurney joined Tourism WA's Board of Commissioners in September 2004. He has more than 20 years of experience in commercial aviation gained with two of the world's leading airlines, Qantas and British Airways. He is currently the Group General Manager Sales & Distribution for Qantas, a position he has held since October 2003. In this role, he is responsible for the airline's sales divisions worldwide. This covers all Australian and overseas regional sales offices, telephone sales, corporate travel (including Qantas Business Travel, which is one of Australia's largest corporate travel managers) and online sales through the web site. Key areas of responsibility include delivery of the airline's global revenue target, sales and distribution strategy, and international marketing, as well as overall human resources accountability for the Sales and Distribution department of 3,300 staff.

***Western Australian Tourism Commission Board Meetings and Attendance***

	Normal Meetings		Special Meetings		TOTALS	
	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance
Alan Mulgrew	10	11	2	2	12	13
Laurie O'Meara	11	11	2	2	13	13
Janet Holmes à Court	9	11	0	2	9	13
Helen Creed	8	9	1	2	9	11
Sonja Mitchell	10	11	1	2	11	13
Michael Monaghan	8	11	2	2	10	13
Anthony Quahe	10	11	2	2	12	13
Kate Lamont	11	11	2	2	13	13
David Smith	9	11	1	2	10	13
Robert Gurney	7	11	0	2	7	13

***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. No declarations of interest were made in 2005 – 2006.

***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 Tourism WA's expense.

***Committees***

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

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

The **Strategic Marketing Committee** provides high level strategic advice on Tourism WA's marketing activities in domestic and international markets and monitors the success of its activities.

The **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 **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 **Audit and Finance 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.

### ***Business Risk***

Established procedures at Board and management level are designed to maintain Tourism WA'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.

A Risk Management Plan 2005 has been developed and approved for Tourism WA. Tourism WA is committed to the management of all existing and potential risks that may have an adverse impact on its ability to meet all its obligations to Government, customers, staff and members of the public.

An internal audit plan is implemented each year and internal audits are performed in accordance with this plan.

### ***Ethical Standards***

Tourism WA'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 in line with its commitment and the Code of Conduct for Tourism WA, which is based on the broader Western Australian Public Sector's Code of Ethics.

## **Compliance Statement**

The Honorable Sheila M<sup>c</sup>Hale  
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 2006. 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*.

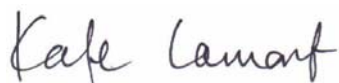
### **Legislation impacting on WATC Activities**

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*
- *Corruption and Crime Commission Act 2003*
- *State Records Act 2000*

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.



**Kate Lamont**

CHAIRMAN  
1 September 2006



**Richard Muirhead**

CHIEF EXECUTIVE OFFICER  
1 September 2006

## 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 2006.



**Kate Lamont**

CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION  
15 September 2006



**Laurie O'Meara**

DEPUTY CHAIRMAN  
WESTERN AUSTRALIAN TOURISM COMMISSION  
15 September 2006



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### **WESTERN AUSTRALIAN TOURISM COMMISSION FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Western Australian Tourism Commission at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the 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
- (iii) the key effectiveness and efficiency performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2006.

#### **Scope**

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

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

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

#### ***Summary of my Role***

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators 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 and performance indicators.

**D D R PEARSON**  
AUDITOR GENERAL  
25 September 2006

## Key Performance Indicators

The key performance indicators (KPIs) provide an indication of whether Tourism WA has achieved the outcomes agreed with government. The two outcomes are:

1. Western Australia is promoted as an attractive destination; and
2. An enhanced tourist industry, infrastructure and product base.

In 2002 Tourism WA reviewed its strategic direction, and consequently its KPIs.

Measurement of the revised KPIs commenced in July 2003, with the 2003-04 annual report containing the first year's results. Information relating to the Commission's performance in previous years is located in the 2002-03 annual report.

### Outcome 1. Western Australia is promoted as an attractive destination

Effectiveness Key Performance Indicators	Results			
	Five year target	2005-2006	2004-2005	2003-2004
1.1 Destination Marketing: Awareness among potential visitors that WA offers the iconic tourism experiences that are actively promoted in our major markets	45% (interstate) 20% (short haul) 15% (long haul)	a) 42% (interstate) b) 31% (Japan)	a) 41% (interstate) b) 55% (Germany)	a) 34% (interstate) b) 20% (Singapore)
1.2 Destination Marketing: WA increase in visitor expenditure as compared to national average increase in visitor expenditure	Growth in WA visitor spend greater than national average	Growth in WA visitor spend 0.9% above national average (WA -3.7%, Aust. -4.6%)	Growth in WA visitor spend 0.3% above national average (WA 1.5%, Aust. 1.8%)	Growth in WA visitor spend 5.6% above national average (WA 8.2%, Aust. 2.6%)

#### Notes:

- KPI 1.1a (2005-06): Awareness interstate 2005-06 - Population as per 2002-03 census 7,761,200 (4,201,500 Sydney, 3,559,700 Melbourne); sample size of 323; +/- 5.45% estimated error rate at the 95% confidence level.
- KPI 1.1a (2004-05): Awareness interstate 2004-05 - Population as per 2002-03 census 7,761,200 (4,201,500 Sydney, 3,559,700 Melbourne); sample size of 306; +/- 5.6% estimated error rate at the 95% confidence level.
- KPI 1.1a (2003-04): Awareness interstate 2003-04 - Population size of 7,286,719 (3,948,015 Sydney, 3,338,704 Melbourne); sample size of 210; +/- 6.8% estimated error rate at the 95% confidence level.
- KPI 1.1b (2005-06): Awareness Japan 2005-06 - Population size of 127,417,244; sample size of 414; +/- 4.8% estimated error rate at the 95% confidence level.
- KPI 1.1b (2004-05): Awareness Germany 2004-05 - Population size of 82,431,000; sample size of 200; +/- 6.9% estimated error rate at the 95% confidence level.
- KPI 1.1b (2003-04): Awareness Singapore 2003-04 - Population size of 3,263,200; sample size of 300; +/- 5.7% estimated error rate at the 95% confidence level.
- KPI 1.2 (2005-06): According to Tourism Research Australia (TRA), the best method of estimating domestic visitor expenditure in WA during financial year 2005-06 is by multiplying total domestic visitor nights in WA (latest YTD ending December 2005 from the National Visitor Survey (NVS)) by WA daily expenditure estimates from the TRA Domestic Tourism Expenditure Research Programme (2yr average of 2004 and 2005). This programme estimates an average daily spend of \$95 for intrastate visitors and \$108.50 for interstate visitors.
- KPI 1.2 (2004-05): According to Tourism Research Australia (TRA), the best method of estimating domestic visitor expenditure in WA during financial year 2004-05 is by multiplying total domestic visitor nights in WA (latest YTD ending March 2005 from the National Visitor Survey (NVS)) by WA daily expenditure estimates from the TRA Domestic Tourism Expenditure Research Programme (2yr average of 2003 and 2004). This programme estimates an average daily spend of \$95 for intrastate visitors and \$108.50 for interstate visitors.
- KPI 1.2 (2003-04): According to Tourism Research Australia (TRA), the best method of estimating domestic visitor expenditure in WA during financial year 2003-04 is by multiplying total domestic visitor nights in WA (latest YTD ending March 2004 from NVS) by WA daily expenditure estimates from the TRA Domestic Tourism Expenditure Research Programme (2yr average of 2002 and 2003). This programme estimates an average daily spend of \$96 for intrastate visitors and \$110 for interstate visitors. These 2003-04 results, based on recently acquired domestic daily visitor expenditure estimates in WA for 2002 and 2003, represent a slight revision to those figures originally outlined in the 2003-04 Annual report, which was based on outdated daily expenditure estimates from the older 2000 Regional Expenditure Model, the most recent figures available at the time of publication.

- x. KPI 1.2 (2005-06): According to Tourism Research Australia (TRA), the best method of estimating international visitor expenditure in WA during financial year 2005-06 is by multiplying total international visitor nights in WA (latest YTD ending March 2006 from IVS) by WA daily expenditure estimates from the TRA International Tourism Expenditure Research Programme (2yr average of 2004 and 2005). This approach estimates an average daily spend of \$78 for international visitors during this period.
- xi. KPI 1.2 (2004-05): According to Tourism Research Australia (TRA), the best method of estimating international visitor expenditure in WA during financial year 2004-05 is by multiplying total international visitor nights in WA (latest YTD ending March 2005 from IVS) by WA daily expenditure estimates from the TRA International Tourism Expenditure Research Programme (2yr average of 2003 and 2004). This approach estimates an average daily spend of \$78 for international visitors during this period.
- xii. KPI 1.2 (2003-04): According to Tourism Research Australia (TRA), the best method of estimating international visitor expenditure in WA during financial year 2003-04 is by multiplying total international visitor nights in WA (latest YTD ending March 2004 from IVS) by WA daily expenditure estimates from the TRA International Tourism Expenditure Research Programme (2yr average of 2002 and 2003). This approach estimates an average daily spend of \$77 for international visitors during this period. These 2003-04 results, based on recently acquired international daily visitor expenditure estimates in WA for 2002 and 2003, represent a slight revision to those figures originally outlined in the 2003-04 Annual report, which was based on national average daily expenditure estimates, the most accurate figures available at the time of publication.

### 1.1 Awareness among potential visitors that WA offers the iconic tourism experiences that are actively promoted in our major markets

For people to consider WA attractive as a tourist location, they first need to become aware of the destination. Focusing marketing on iconic experiences that the target market i) finds appealing (importance), ii) associates with WA (awareness), and iii) perceives that WA offers better than other destinations (delivery), will boost the recognition of our State as an attractive destination, both locally and worldwide, and will provide a focal point for each of the five tourism regions.

#### Interstate Results:

Based on these premises, awareness, importance, and delivery of WA's iconic experiences promoted in the current year in the interstate market were measured in Tourism WA's major interstate markets of Sydney and Melbourne, via an externally commissioned online research survey. In this instance, online data collection was chosen as the preferred approach over telephone data collection due to a combination of cost effectiveness and high sample representativeness. The relative performance of each of these measures in the interstate market during 2005-06, with comparisons against 2004-05 and 2003-04, has been summarised in the table below. Please note that some differences have occurred in the specific iconic experiences promoted in the interstate market from 2003-04 through to 2005-06.

#### Standard KPI Score for Interstate market:

WA Iconic Experiences promoted in Interstate market	AWARENESS KPI					
	2005-2006		2004-2005		2003-2004	
	% very strongly associate (8-10/10)	$\bar{x}$	% very strongly associate (8-10/10)	$\bar{x}$	% very strongly associate (8-10/10)	$\bar{x}$
Outback & beyond	53%	7.4	54%	7.0	--	--
Rugged and unusual landscapes	52%	7.3	49%	6.9	47%	6.7
Sea life/marine animals	38%	6.4	36%	6.0	--	--
Forests and flowers	36%	6.4	35%	6.2	30%	5.5
Self drive	46%	6.9	44%	6.6	34%	5.9
Beach and sun	50%	7.1	43%	6.4	--	--
Local lifestyle	32%	6.3	31%	5.9	--	--
Local food and wine	32%	6.2	33%	6.0	29%	5.8
Sun sand and surf	--	--	--	--	40%	6.5
Escape and unwind	--	--	--	--	32%	6.1
City holidays	--	--	--	--	24%	5.5
<b>Standard KPI Score</b>	<b>42%</b>		<b>41%</b>		<b>34%</b>	

Based on these results, for 2005-06, it was determined that 42% of potential interstate visitors (from Sydney/Melbourne) were aware that WA offers the iconic tourism experiences that were actively promoted in the interstate markets during this period. In comparison, for 2004-05, 41% of potential interstate visitors (from Sydney/Melbourne) were aware that WA offers the iconic tourism

experiences that were actively promoted in the interstate markets during the previous year. This latest result for 2005-06 is well on target to reach the KPI target of 45% awareness in our interstate market to be achieved five years from when we first set the KPI ie. 2008-09. While these results are positive, it should be noted that different experiences were promoted across these two periods, with the view of building long term awareness over the five-year period.

However, while the results of this standard KPI were highly favourable, it was determined that a more challenging and strategic measure of iconic awareness should combine considerations of awareness, importance and delivery, rather than simply measuring awareness in isolation. As a consequence, a composite KPI was developed for each iconic experience promoted in Tourism WA's major interstate markets (Sydney/Melbourne) using a combination of all three core measures, as outlined below:

- *Awareness* – extent that WA is associated with each iconic experience (a mean score out of 10, where 0 means 'do not associate WA with that type of experience at all' and 10 means 'very strongly associate WA with that type of experience')
- *Importance* – interest in each of type of iconic experience (a mean score out of 10, where 0 means 'not at all interested' and 10 means 'extremely interested')
- *Delivery* - how well WA provides the iconic experience compared to other competitive destinations (% that perceive WA is better than other destinations) (i)

**Composite KPI Score for Interstate market:**

WA Iconic Experiences promoted in Interstate market	AWARENESS (x) –			x	IMPORTANCE (x) –			x	DELIVERY (%)			=	COMPOSITE SCORE		
	2005-06	2004-05	2003-04		2005-06	2004-05	2003-04		2005-06	2004-05	2003-04		2005-06	2004-05	2003-04
Outback & beyond	7.4	7.0	--		6.6	6.7	--		51%	56%	--		24.9	26.3	--
Rugged and unusual landscapes	7.3	6.9	6.7		7.5	7.2	7.0		49%	50%	52%		26.8	24.8	24.4
Sea life/marine animals	6.4	6.0	--		7.6	7.5	--		41%	39%	--		19.9	17.6	--
Forests and flowers	6.4	6.2	5.5		7.0	6.8	6.5		44%	42%	40%		19.7	17.7	14.3
Self drive	6.9	6.6	5.9		7.4	7.3	6.8		32%	31%	24%		16.3	14.9	9.6
Beach and sun	7.1	6.4	--		7.7	7.6	--		32%	27%	--		17.5	13.1	--
Local lifestyle	6.3	5.9	--		7.8	7.3	--		20%	25%	--		9.8	10.8	--
Local food and wine	6.2	6.0	5.8		7.6	7.4	6.9		20%	19%	28%		9.4	8.4	11.2
Sun sand and surf	--	--	6.5		--	--	7.4		--	--	27%		--	--	13.0
Escape and unwind	--	--	6.1		--	--	7.8		--	--	21%		--	--	10.0
City holidays	--	--	5.5		--	--	6.4		--	--	16%		--	--	5.6
<b>Composite KPI score</b>													<b>18.1</b>	<b>16.7</b>	<b>12.6</b>

**Notes:**

(i) In 2005-06 and 2004-05 for interstate other competitive destinations were defined as other Australian states and the other short haul destinations in the region. In 2003-04 they were defined as other Australian States or New Zealand.

Based on the combined scores for each iconic experience, a composite KPI score was developed for the interstate market. As it is not feasible to obtain an average of 100% awareness, 100% importance and 100% delivery for any given experience (resulting in a score of 100), a challenging long term benchmark for this composite measure is to strive for an average score of 32 (based on a average of 80% awareness x 80% importance x 50% delivery). Using this composite measure in 2005-06, the promotion of WA iconic tourism experiences in key interstate markets received an average KPI score of 18.1 during this period. In comparison in 2004-05, the promotion of WA iconic tourism experiences in key interstate markets received an average KPI score of 16.7, while

the previous 2003-04 period received an average KPI score of 12.6. This indicates significant growth over the past 3 years.

#### *International Results:*

Due to research costs, awareness can only be measured in one target international market each year. As a result, Japan was selected as the single international market to be measured for 2005-06, with different target markets to be tested each subsequent financial year (Germany was selected for 2004-05 while Singapore was selected for 2003-04). Japan was selected on the basis that it is one of the top international eastern markets for WA in which Tourism WA is active, as opposed to the European market results obtained through testing Germany in the previous year.

Awareness, importance, and delivery of WA's iconic experiences promoted in the region was measured in Japan via externally commissioned online survey research. In this instance, online data collection was chosen as the preferred approach over telephone data collection due to a combination of cost effectiveness, sample representativeness and high response rates in the Japanese market. The relative performance of each of these measures in Japan during 2005-06, along with comparisons against the Germany market results for 2004-05 and the Singapore market results in 2003-04, has been summarised below. Please note that different iconic experiences have been promoted in Japan during 2005-06 compared to Germany in 2004-05 and Singapore in 2003-04. As a result, it is not appropriate to make direct comparisons between these three markets.

#### **Standard KPI Score for International market:**

WA Iconic Experiences promoted in International market	AWARENESS KPI					
	2005-2006		2004-2005		2003-2004	
	Japan 2005-06 % very strongly associate (8-10/10)	$\bar{x}$	Germany 2004-2005 % very strongly associate (8-10/10)	$\bar{x}$	Singapore 2003-2004 % very strongly associate (8-10/10)	$\bar{x}$
Local Wildlife	46%	6.9	61%	7.2	16%	5.6
Rugged & Unusual Landscapes	36%	6.5	68%	7.5	--	--
Beaches & Sun	36%	6.4	59%	7.1	--	--
Sea Life/Marine Animals	33%	6.2	43%	6.3	--	--
Forests and Flowers	31%	6.3	--	--	18%	5.7
Local Food and Wine	27%	5.9	--	--	16%	5.9
Local Lifestyle	26%	6.0	--	--	16%	5.8
City Life	12%	4.8				
Outback & Beyond	--	--	65%	7.4	--	--
Arts, Culture & History	--	--	46%	6.2	--	--
Self Drive	--	--	46%	5.7	22%	5.6
Relax and Recharge	--	--	--	--	34%	6.7
Learn about the local culture	--	--	--	--	16%	5.7
<b>Standard KPI Score</b>	<b>31%</b>		<b>55%</b>		<b>20%</b>	

Based on these results, for 2005-06, it was determined that 31% of potential Japanese visitors were aware that WA offers the iconic tourism experiences that are actively promoted in Japan, which far exceeds the KPI long haul target of 15% awareness to be achieved within the next 5 years.

In comparison in 2004-05, 55% of potential German visitors were aware that WA offers the iconic tourism experiences actively promoted in that market, while 20% of potential Singapore visitors were aware that WA offers the iconic tourism experiences that are actively promoted in Singapore which equals the KPI short haul target of 20% awareness to be achieved 5 years from when we first set the KPI ie. 2008-09.

However, as with the interstate market, a composite key performance indicator (KPI) was also developed for each iconic experience promoted in Japan by combining awareness, importance and delivery results. The individual results shown in the table below may not equal the composite score reported exactly due to rounding. As stated previously, a challenging long term benchmark for this composite measure is to aspire to an average score of 32 (based on 8.0 awareness x 8.0



importance v 50% delivery). Based on these results, in 2005-06, the promotion of WA iconic tourism experiences in Japan received a KPI score of 13.5, as outlined in the table below. In comparison in 2004-05 Germany received a composite KPI score of 15.1, while in 2003-04, Singapore received a composite KPI score of 11.6.

**Composite KPI Score for International market:**

WA Iconic Experiences promoted in International market	AWARENESS (x) –			x	IMPORTANCE (x) –			x	DELIVERY (%)			=	COMPOSITE SCORE		
	Japan 2005-06	Germany 2004-05	Sing. 2003-04		Japan 2005-06	Germany 2004-05	Sing. 2003-04		Japan 2005-06	Germany 2004-05	Sing. 2003-04		Japan 2005-06	Germany 2004-05	Sing. 2003-04
Local Wildlife	6.9	7.2	5.6		6.3	6.8	5.7		54%	35%	33%		23.5	16.9	10.5
Rugged & Unusual Landscapes	6.5	7.5	--		6.9	6.8	--		47%	44%	--		20.8	22.6	--
Beaches & Sun	6.4	7.1	--		6.3	8	--		39%	24%	--		15.7	13.6	--
Sea Life/Marine Animals	6.2	6.3	--		6.1	6.3			41%	30%	--		15.6	11.8	--
Forests and Flowers	6.3	--	5.7		6.5	--	5.8		34%	--	28%		14.0	--	9.3
Local Food and Wine	5.9	--	5.9		7.2	--	6.5		17%	--	27%		7.4	--	10.4
Local Lifestyle	6.0	--	5.8		5.8	--	6.3		23%	--	33%		7.9	--	12.1
City Life	4.8				5.2				11%				2.7		
Outback & Beyond	--	7.4	--		--	6.6	--		--	51%	--		--	24.9	--
Arts, Culture & History	--	6.2	--		--	7.2	--		--	16%	--		--	7.1	--
Self Drive	--	5.7	5.6		--	6.2	5.5		--	25%	36%		--	8.9	11.1
Relax and Recharge	--	--	6.7		--	--	7.6		--	--	34%		--	--	17.3
Learn about the local culture	--	--	5.7		--	--	6.2		--	--	29%		--	--	10.2
<b>Composite KPI score</b>													<b>13.5</b>	<b>15.1</b>	<b>11.6</b>

## 1.2 WA increase in visitor expenditure as compared to national average increase in visitor expenditure

Other things being equal, if WA is successfully promoted as an attractive destination visitor expenditure will increase. This will occur due to an increase in the number of visitors and/or the amount of money spent per visitor. Hence, this KPI measures the result of successful promotion of WA as an attractive destination.

Tourism WA has set a challenging objective, not just to increase tourism in WA but to do so at a rate which is faster than the national average. This is more challenging than just measuring the increase in visitor expenditure, as the other states face similar environmental impacts and therefore to grow faster takes greater skill and arguably greater levels of promotion.

Visitor expenditure was measured through the National and International Visitor Surveys, conducted by Tourism Research Australia (TRA). Due to unscheduled delays in the collection, processing and weighting of data from these two surveys by TRA, 2005-06 performance assessment will be based on 12 months ending December 2005 data. However, 2004-05 performance assessment was based on 12 months ending March 2005 data.

Accordingly, as shown in the table below, WA experienced a -3.7% decrease in total visitor expenditure, from \$4.204 billion in year ending March 2005 to \$4.048 billion in year ending December 2005. In comparison, Australia experienced a -4.6% decrease in total visitor expenditure, from \$44.224 billion in year ending March 2005 to \$42.171 billion in year ending

December 2005. Therefore, using year ending December 2005 data for the 2005-06 reporting period, the difference between WA increase in visitor expenditure and the national average increase in visitor expenditure in 2005-06 reporting period was +0.9% for WA, which meets the five-year KPI target of greater growth in WA visitor expenditure over national visitor expenditure.

	WA Visitor Expenditure (\$B)				Australia Visitor Expenditure (\$B)				Comparative Growth (WA - Aust)	Target
	YTD Dec 05 \$Billion	YTD March 05 \$Billion	YTD March 04 \$Billion	Growth	YTD Dec 05 \$Billion	YTD March 05 \$Billion	YTD March 04 \$Billion	Growth		
Intrastate	\$1.842	\$1.962	\$1.932	-6.1%	\$15.053	\$16.002	\$15.368	-5.9%	-0.2%	-ve
Interstate	\$0.980	\$1.032	\$1.137	-5.1%	\$15.133	\$16.553	\$16.725	-8.6%	3.5%	+ve
International	\$1.226	\$1.210	\$1.073	1.3%	\$11.985	\$11.669	\$11.330	2.7%	-1.4%	-ve
<b>Total visitors</b>	<b>\$4.048</b>	<b>\$4.204</b>	<b>\$4.142</b>	<b>-3.7%</b>	<b>\$42.171</b>	<b>\$44.224</b>	<b>\$43.423</b>	<b>-4.6%</b>	<b>0.9%</b>	<b>+ve</b>

Efficiency Key Performance Indicators	One Year Target	Results		
		2005-2006	2004-2005	2003-2004
1.3 Destination marketing: Ratio of Tourism WA spend to awareness level in our major markets	(a) interstate: \$379,462 per percentage point of aware respondents  (b) international: \$51,786 per percentage point of aware respondents	(a) interstate: \$289,328 per percentage point of aware respondents (Sydney/Melbourne) and (b) international: \$76,709 per percentage point of aware respondents (Japan)	(a) interstate: \$380,258 per percentage point of aware respondents (Sydney/Melbourne) and (b) international: \$23,354 per percentage point of aware respondents (Germany)	(a) interstate: \$329,402 per percentage point of aware respondents (Sydney/Melbourne) and (b) international: \$40,470 per percentage point of aware respondents (Singapore)
1.4 Event Tourism: (a) Ratio of Tourism WA spend to the value of projected direct expenditure generated by events (future years) (b) Ratio of Tourism WA spend to the value of direct expenditure and media impact generated by events (current year)	(a) \$1:\$5.15  (b) \$1:\$2.78	(a) \$1: \$2.84  (b) \$1: \$3.01	(a) \$1: \$2.19  (b) \$1: \$3.81	(a) \$1: \$5.44  (b) \$1: \$3.73
1.5 Convention and Incentive Travel: Ratio of Tourism WA spend to the value of projected direct expenditure generated by conventions and incentive travel groups to Western Australia	\$1: \$67.00	\$1: \$65.69	\$1: \$30.20	\$1: \$51.35

Notes:

- KPI 1.3a: Awareness interstate (2004-05) - Population size as per 2002-03 census 7,761,200 Sydney/Melbourne, 82,431,000 Germany; sample size of 306 Sydney/Melbourne and 200 Germany; estimated error rate at the 95% confidence level of +/- 5.6% (Sydney/Melbourne) and +/- 6.9% (Germany) respectively
- KPI 1.3a: Interstate: The KPI measures the ratio of Tourism WA interstate spend to interstate awareness. It excludes Tourism WA intrastate marketing spend of \$4,222,516 (prior year \$3,243,742).
- KPI 1.3b: International: Due to costs associated with measuring major overseas markets, they are only surveyed once every 5 years. Tourism WA spend in the overseas markets not measured in this year's KPI is \$9,934,059 (prior year \$5,671,826).
- KPI 1.4a: The 'total cost of event tourism output dedicated to event development' includes salary costs, administrative costs and pledged Tourism WA sponsorship funds. The 'value of projected direct expenditure generated by events (future years)' is calculated as a three year moving average.
- KPI 1.4b: The total cost of event tourism output dedicated to hosting events equals the government funding plus the operating revenue. Government funding includes Tourism WA sponsorship provided to events in the current year. The 'value of projected direct expenditure and media impact generated by events (current year)' is calculated as a three year moving average as the direct expenditure and media impact generated for an event may cross over financial years depending on the timing of the event that it relates to. Prior year comparative has been restated to correctly reflect the rolling average basis of calculation.
- KPI 1.5: The 'value of projected direct expenditure generated by conventions and incentive travel groups to Western Australia' is calculated as a three year moving average. Expenditure by Western Australian delegates is not included.

### *1.3 Ratio of Tourism WA spend to awareness level in our major markets*

This KPI measures the efficiency with which Tourism WA uses destination marketing government funds and operating revenue to raise potential visitors' awareness of WA. The rationale for measuring the level of awareness is explained in the first effectiveness KPI for outcome one.

In 2004-05, the ratio of Tourism WA spend to awareness level in our major markets was i) \$380,258 per percentage point of aware respondents in Sydney/Melbourne, and ii) \$23,354 per percentage point of aware respondents in Germany. The interstate market fell just below the target awareness per dollar ratio of \$373,733 however the international markets result outperformed the target awareness per dollar ratio of \$46,369 which was established based on knowledge of other international markets. This is the first time this market has been measured under the new KPI structure and results will be used to establish a baseline and target for future collection.

### *1.4 Event Tourism*

#### *1.4(a) Ratio of Tourism WA spend to the value of projected direct expenditure generated by events (future years).*

This KPI measures the efficiency with which Tourism WA uses funds to maximise the value of projected direct expenditure generated by future WA events.

Note that this KPI measures projected direct expenditure for WA events in all future years. It is not directly comparable to the KPI which measures the value of direct expenditure and media impact generated events held in the current year.

In 2005-06 EventsCorp was successful in securing a range of events for WA that will deliver economic and/or media impact. The Red Bull Air Race will be staged in Perth in 2006, 2007 and 2008, this will be the first time this event has been hosted in Australia. Furthermore, EventsCorp has secured first right of renewal following the initial contract term.

In addition to the Red Bull Air Race, other new events secured in 2005-06 include Cricket City Perth (incorporating the Third Test of the Ashes Series), the 2006 National Men's Veterans Hockey Championships, 2007 Golden Oldies World Netball Festival, and the Audi Etchells World Championship 2006.

The above events secured in the 2005-06 year are estimated to deliver an economic return of \$2.84 for every dollar invested (calculated on a three year rolling average), representing an increase of \$0.65 on the 2004-05 year. The five year target of \$1:\$5.15, as highlighted in the 2004-05 annual report, is an optimistic one having been set in an exceptional year accounting for the inordinately high economic impact of the Rugby World Cup.

This measures whether or not the last financial year was a successful one from a bidding perspective with annual fluctuations smoothed by using a 3 year moving average. With a reasonably constant budget for events and the rising cost of events the magnitude of this measure will average out at a level slightly under measure 1.4(b) below as media impact is not included in this measure. The magnitude of this measure will be reviewed with a view to it being reduced.

#### *1.4(b) Ratio of Tourism WA spend to the value of direct expenditure and media impact generated by events (current year).*

This KPI measures the efficiency with which Tourism WA uses government funds and operating revenue to maximise the value of direct expenditure and media impact generated by WA events in the current financial year. This result is also calculated on a 3 year rolling average.

'Media Impact' is defined as the dollar value of Western Australian tourism imagery and branding (including video postcards of WA tourism destinations, on-screen graphics and signage) integrated into television production related to the events. It is measured by an independent media evaluation company.

Note that media impact is only measured where exposure is secured in one or more of Tourism WA's active or active emerging markets. The majority of television product secures significant exposure in a broad-range of markets outside of Tourism WA's identified priorities.

The 2005 - 2006 calendar was a very strong one and the events staged in WA in 2005-06 generated an economic impact of \$46.06 million and an estimated media impact of \$10.58 million. The return therefore on the Government's investment of \$12.70 million was \$56.64 million, a significant increase on the recorded return of \$43.6 million for an investment of \$9 million in the 2004-05 year. When EventsCorp's overheads are taken into account, this represents a return of \$3.01 for every dollar invested. The 5 year target of \$1:\$2.78 was exceeded.

#### *1.5 Convention and Incentive Travel: Ratio of Tourism WA spend to the value of projected direct expenditure generated by conventions and incentive travel groups to Western Australia*

This KPI measures the efficiency with which Tourism WA uses convention & incentive government funding and operating revenue to maximise the value of direct expenditure generated by conventions and incentive travel groups to Western Australia.

53 conventions and 85 corporate groups were secured for Western Australia last financial year. These meetings are expected to attract 38,540 delegates over the next 4 years, representing \$72.21 million in direct delegate expenditure. It should also be noted that as at 30 June 2005, decisions were pending on a further 17 meetings worth an additional \$12.940 million. In addition to the 144 convention leads identified during the reporting period there are 332 conferences under development.

Based on a rolling 3 year average, the target ratio for this sector was \$1: \$67.00, while the actual achieved was \$1:\$65.69.

## **Outcome 2. An enhanced tourist industry, infrastructure and product base**

Effectiveness Key Performance Indicators	Five year target	Results		
		2005-2006	2004-2005	2003-2004
2.1 Visitor Servicing: Visitor satisfaction with WA experience	50% highly satisfied	48.7% highly satisfied	53.1% highly satisfied	48.8% highly satisfied
2.2 Industry Development: Percentage of targeted investors who consider that the tourism investment attraction services improved their view of Western Australia as an investment location	30% highly improved view	17.1% highly improved view	16.7% highly improved view	8.5% highly improved view
2.3 Industry Development: Percentage of investors satisfied with the facilitation services provided.	50% very satisfied	39.1% very satisfied	33.3% very satisfied	18.9% very satisfied

- KPI 2.1 (2005-06): Population size of 6,604,200 domestic and international visitors in year ending December 2005 (based on TRA IVS and NVS data); sample size of 533; +/- 4.2% estimated error rate at the 95% confidence level
- KPI 2.1 (2004-05): Population size of 7,045,800 domestic and international visitors in year ending March 2005 (based on TRA IVS and NVS data); sample size of 500; +/- 4.4% estimated error rate at the 95% confidence level
- KPI 2.1 (2003-04): Population size of 6,993,005 domestic and international visitors in year ending March 2004 (based on BTR IVS and NVS data); sample size of 504; +/- 4.4% estimated error rate at the 95% confidence level

- iv. KPI 2.2 (2005-06): Population size of 72; sample size of 41; response rate 57%; +/- 10.1% estimated error rate at the 95% confidence level
- v. KPI 2.2 (2004-05): Population size of 86; sample size of 36; response rate 42%; +/- 12.4% estimated error rate at the 95% confidence level
- vi. KPI 2.2 (2003-04): Population size of 113; sample size of 47; +/- 6.1% estimated error rate at the 95% confidence level
- vii. KPI 2.3 (2005-06): Population size of 72; sample size of 41; response rate 57%; +/- 10.1% estimated error rate at the 95% confidence level
- viii. KPI 2.3 (2004-05): Population size of 86; sample size of 33; response rate 38%; +/- 13.4% estimated error rate at the 95% confidence level
- ix. KPI 2.3 (2003-04): Population size of 113; sample size of 37; +/- 10.4% estimated error rate at the 95% confidence level

## 2.1 Visitor satisfaction with WA experience

If the tourism industry, infrastructure and product base are enhanced, then the visitors will have a higher quality experience. This will result in greater visitor satisfaction and more return visitation.

Satisfaction was measured via an externally commissioned state-wide face-to-face survey conducted by Patterson Market Research, as per the methodology recommended by National Cooperative Research Centre for Sustainable Tourism. In 2005-06, 48.7% of respondents were highly satisfied with their visit to WA which falls just short of the 5 year target of 50% highly satisfied.

Specifically, using a scale of 1 to 7, where 1 means very dissatisfied and 7 means very satisfied, respondents were asked how satisfied they were with their holiday in WA. This approach inferred that a response of 1 to 3 meant dissatisfied, 4 meant neutral and 5 to 7 meant satisfied. As illustrated in the table below, 48.7% of respondents gave a maximum score of 7 out of 7, indicating that they were very satisfied during 2005-06. More broadly, 95.3% of respondents gave a score of 5 or higher, indicating that they were at least somewhat satisfied.

These results also represent a decline in performance over 2004-05, in which 53.1% of respondents gave a maximum score of 7 out of 7.

		Very dissatisfied 1	2	3	4	5	6	Very satisfied 7
Overall, how satisfied are you with your holiday in Western Australia?	2005-2006	0.2%	0.4%	0.4%	3.7%	12.9%	33.7%	48.7%
	2004-2005	0.2%	0.0%	0.6%	1.9%	13.0%	31.2%	53.1%
	2003-2004	0.0%	0.0%	0.4%	3.9%	11.1%	35.9%	48.8%

## 2.2 Percentage of targeted investors who consider that the tourism investment attraction services improved their view of Western Australia as an investment location

Investment in tourism is required to enhance both infrastructure and the product base. Tourism WA needs to ensure that WA's advantages are better understood in the investment marketplace. Without this awareness, investors will not consider WA as a potential investment location.

A targeted investor is an individual/organisation which has been identified by Tourism WA as a potential significant investor in Western Australia tourism. An externally commissioned telephone survey was undertaken by Intrepid Australia, using a comprehensive list of targeted investors, to determine the percentage who consider that Tourism WA's tourism investment attraction services improved their potential investment perceptions of WA.

Specifically, using a scale of 1 to 9, where 1 means have not improved and 9 means greatly improved, respondents were asked to what extent tourism attraction services provided by Tourism WA improved their view of Western Australia as an investment location. As illustrated in the

following table, in 2005-06 17.1% of respondents felt that Tourism WA tourism attraction services highly improved their view of Western Australia as an investment location (based on a score of 8 or 9 out of 9), which is on target to meet the 5 year target of 30% highly improved. More broadly, 73.2% of respondents gave a score of 6 or higher, indicating that their view of WA was at least somewhat improved.

These results represent an improvement over 2004-05, in which 16.7% of respondents felt that Tourism WA tourism attraction services highly improved their view of Western Australia as an investment location (score of 8 or 9 out of 9), and 47.2% felt their view of WA was at least somewhat improved (score of 6 or higher).

		Not improved at all 1	2	3	4	5	6	7	8	Greatly improved 9
To what extent did tourism attraction services provided by Tourism WA improve your view of Western Australia as an investment location?	2005-06	2.4%	0%	0%	7.3%	17.1%	17.1%	39.0%	12.2%	4.9%
	2004-05	2.8%	2.8%	11.1%	11.1%	25.0%	11.1%	19.4%	13.9%	2.8%
	2003-04	6.4%	6.4%	8.5%	21.3%	14.9%	12.8%	21.3%	6.4%	2.1%

### 2.3 Percentage of investors satisfied with the facilitation services provided

Tourism WA needs to ensure that appropriate services are provided to potential investors, to facilitate investment in WA.

Using the same methodology outlined in the previous KPI, individuals and organisations who used Tourism WA's investment facilitation services during 2005-06 were surveyed by telephone to determine the percentage who consider that Tourism WA's tourism investment attraction services improved their potential investment perceptions of WA. Specifically, using a scale of 1 to 9, where 1 means very dissatisfied and 9 means very satisfied, respondents were asked how satisfied they were with the facilitation services provided by Tourism WA. This approach inferred that a response of 1 to 4 meant dissatisfied, 5 meant neutral and 6 to 9 meant satisfied. As illustrated in the table below, in 2005-06, 39.1% of respondents indicating that they were very satisfied with the facilitation services provided (based on a score of 8 or 9 out of 9), which is on target to meet the 5 year target of 50% very satisfied. More broadly, 68.4% of respondents gave a score of 6 or higher, indicating that they were at least somewhat satisfied.

These results represent a partial improvement over 2004-05, in which 33.3% of respondents were very satisfied with the facilitation services provided (score of 8 or 9 out of 9), and 69.7% of respondents at least somewhat satisfied (score of 6 or higher).

		Very dissatisfied 1	2	3	4	5	6	7	8	Very satisfied 9
How satisfied are you with the facilitation services provided by Tourism WA?	2005-06	0%	0%	7.3%	4.9%	19.5%	12.2%	17.1%	29.3%	9.8%
	2004-05	0%	3.0%	9.1%	6.1%	12.1%	15.2%	21.2%	24.2%	9.1%
	2003-04	5.4%	10.8%	2.7%	10.8%	16.2%	24.3%	10.8%	13.5%	5.4%

Efficiency Key Performance Indicators	One year target	Results		
		2005-2006	2004-2005	2003-2004
2.4 Industry Development: Ratio of Tourism WA spend to the value of tourism projects progressed	\$1: \$42.84	\$1: \$86.00	\$1: \$97.95	\$1: \$42.02
2.5 Visitor Servicing: Ratio of Tourism WA spend to the level of visitor satisfaction with visitor servicing	\$124,203 per percentage point	\$116,652 per percentage point	\$56,125 per percentage point	\$108,216 per percentage point

Notes:

- i. KPI 2.5: Population size of 196,127 visitors to WA Visitor Centre in 2005; sample size of 136; +/- 8.4% estimated error rate at the 95% confidence level
- ii. KPI 2.5: Population size of 251,320 visitors to WA Visitor Centre in 2004; sample size of 79; +/- 11.0% estimated error rate at the 95% confidence level

#### *2.4 Industry Development: Ratio of Tourism WA spend to the value of tourism projects progressed*

This KPI is a measure of the efficiency with which Tourism WA uses industry development government funding and operating revenue to progress tourism development projects.

In 2005-06, the ratio of Tourism WA spend to the value of tourism projects progressed was \$86.00 which is lower than the result achieved in 2004-05 of \$1: \$97.95 and higher than against the target established for 2004-05. This can be attributed to the fact that Tourism WA has maintained its direct involvement in some significant projects in alignment with increased economic activity and encouraging investor confidence in the State. The year 2005-06 has been the first full year of activity concentrated on projects identified within the five (5) Destination Development Strategies; these have outlined priority areas of development as being access, accommodation, attractions, activity, amenities, and niche markets and have aimed to establish the potential for greater public and private investment. The actions undertaken by the Industry Development team within Tourism WA directly or indirectly assist in the progression of tourism related projects and raising the professionalism of the tourism industry by the provision of Better Business Blitzes and support of quality accreditation schemes.

#### *2.5 Visitor Servicing: Ratio of Tourism WA spend to the level of visitor satisfaction with visitor servicing*

This KPI measures the efficiency with which Tourism WA uses visitor servicing funds to increase visitor satisfaction with the service provided.

Satisfaction with visitor servicing was measured via an externally commissioned state-wide face-to-face survey, as per the methodology outlined in Outcome 2.1. In 2005-06 the ratio of Tourism WA spend to the level of visitor satisfaction with visitor servicing was \$116,652 per percentage point. This latest result is higher than the ratio of Tourism WA spend to the level of visitor satisfaction with visitor servicing obtained in 2004-05 of \$56,125 per percentage point, but well within the target of \$124,203 per percentage point. The results across the 2004-2005 and 2005-2006 years are affected by special funding to conduct the Visitor Servicing Study, which will be continued into 2006-2007.

More specifically, of the 500 visitors interviewed as part of a state-wide visitor satisfaction survey during 2005-06, 99 visitors (18.6%) had visited the WA Visitor Centre. The 99 visitors were asked on a scale of 1 to 7 (where 1 is very dissatisfied, and 7 is very satisfied), how satisfied they were with the overall service provided at the WA Visitor Centre. The results were that: 40.6% were very



satisfied with the service provided, giving a score of 7 out of 7. More broadly, 87.8% of respondents gave a score of 5 or higher, indicating that they were at least somewhat satisfied.

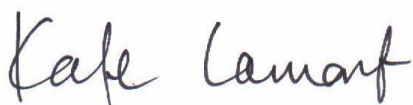
		<b>Very dissatisfied 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Very satisfied 7</b>
How satisfied are you with the service provided by the WA Visitor Centre?	2005-2006	0.0%	5.4%	1.3%	5.4%	15.6%	31.6%	40.6%
	2004-2005	0.6%	0.7%	3.1%	3.3%	5.2%	18.0%	69.1%
	2003-2004	1.7%	0.0%	3.8%	7.5%	12.0%	36.0%	39.0%

**WESTERN AUSTRALIAN TOURISM COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**Certification of Financial Statements for the Year Ended 30 June 2006**

The accompanying financial statements of 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 2006 and the financial position as at 30 June 2006.

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



**KATE LAMONT**  
CHAIRMAN



**LAURIE O'MEARA**  
DEPUTY CHAIRMAN



**STEPHANIE WITHERS**  
EXECUTIVE DIRECTOR  
CORPORATE AND BUSINESS SERVICES  
PRINCIPAL ACCOUNTING OFFICER

15 September 2006



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### **WESTERN AUSTRALIAN TOURISM COMMISSION FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Western Australian Tourism Commission at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the 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
- (iii) the key effectiveness and efficiency performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2006.

#### **Scope**

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

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

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

#### ***Summary of my Role***

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators 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 and performance indicators.

**D D R PEARSON**  
AUDITOR GENERAL  
25 September 2006

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	4	<b>10,650</b>	9,929
Supplies and services	5	<b>10,330</b>	9,512
Depreciation and amortisation expense	6	<b>1,161</b>	996
Accommodation expenses	7	<b>1,490</b>	2,209
Grants and subsidies	8	<b>1,316</b>	2,905
Capital user charge	9	<b>221</b>	176
Loss on disposal of non-current assets	10	<b>10</b>	32
Event operations expense	11	<b>18,904</b>	13,845
Other expenses	12	<b>15,956</b>	15,057
<b>Total Cost of Services</b>		<b>60,038</b>	54,661
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	13	<b>335</b>	318
Interest revenue	14	<b>554</b>	286
Other revenue	15	<b>8,124</b>	8,474
<b>Total income other than income from State Government</b>		<b>9,013</b>	9,078
<b>NET COST OF SERVICES</b>			
		<b>51,025</b>	45,583
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation	16	<b>51,932</b>	42,991
Resources received free-of-charge		<b>101</b>	229
Grants received		<b>1,000</b>	-
Liabilities assumed by the Treasurer		<b>35</b>	84
<b>Total income from State Government</b>		<b>53,068</b>	43,304
<b>SURPLUS/DEFICIT FOR THE PERIOD</b>			
		<b>2,043</b>	(2,279)

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

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

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		<b>7,600</b>	3,282
Restricted cash and cash equivalents	17, 30	<b>29</b>	125
Receivables (a)	18	<b>1,450</b>	2,446
Prepayments	19	<b>1,341</b>	1,835
Amounts receivable for services (a)	23	<b>424</b>	424
Other current assets	20	<b>101</b>	371
<b>Total Current Assets</b>		<b>10,945</b>	8,483
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	17, 30	<b>41</b>	-
Amounts receivable for services (a)	23	<b>644</b>	-
Property, plant and equipment	21	<b>4,152</b>	4,276
Intangible assets	22	<b>1,137</b>	672
Investments	25	<b>299</b>	110
<b>Total Non-Current Assets</b>		<b>6,273</b>	5,058
<b>TOTAL ASSETS</b>		<b>17,218</b>	13,541
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables (a)	26	<b>1,790</b>	557
Provisions	27	<b>2,208</b>	1,761
Other current liabilities	28	<b>4,651</b>	5,573
<b>Total Current Liabilities</b>		<b>8,649</b>	7,891
<b>Non-Current Liabilities</b>			
Provisions	27	<b>897</b>	874
Other non-current liabilities	28	<b>1,116</b>	1,208
<b>Total Non-Current Liabilities</b>		<b>2,013</b>	2,082
<b>TOTAL LIABILITIES</b>		<b>10,662</b>	9,973
<b>NET ASSETS</b>		<b>6,556</b>	3,568
<b>EQUITY</b>			
Contributed equity	29	<b>4,200</b>	3,610
Reserves		<b>2,020</b>	1,665
Accumulated surplus/(deficiency)		<b>336</b>	(1,707)
<b>TOTAL EQUITY</b>		<b>6,556</b>	3,568

- (a) In accordance with AASB 1.36A and Treasurer's Instruction 1101 the recognition, measurement and disclosure of line items accounted for under AASB 139 will remain on the existing AGAAP basis as at the date of transition on 1 July 2004 and for the comparative period ending 30 June 2005. The date of transition date for these items will be 1 July 2005.

The Balance Sheet should be read in conjunction with the accompanying notes.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Balance of equity at start of period</b>	40	<b>(1,707)</b>	5,762
<b>CONTRIBUTED EQUITY</b>	29		
Balance at start of period		<b>3,610</b>	3,610
Capital contribution		<b>590</b>	-
<b>Balance at end of period</b>		<b>4,200</b>	3,610
<b>RESERVES</b>	29		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		<b>1,665</b>	1,580
Changes in accounting policy or correction of prior period errors		<b>-</b>	-
Restated balance at start of period		<b>1,665</b>	1,580
Gains/(losses) from asset revaluation		<b>355</b>	85
<b>Balance at end of period</b>		<b>2,020</b>	1,665
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	29		
Balance at start of period		<b>(1,707)</b>	572
Net adjustment on transition to AIFRS	40	<b>-</b>	-
Restated balance at start of period		<b>(1,707)</b>	572
Surplus/(deficit) or profit/(loss) for the period		<b>2,043</b>	(2,279)
<b>Balance at end of period</b>		<b>336</b>	(1,707)
<b>Balance of equity at end of period</b>		<b>6,556</b>	3,568
Total income and expense for the period (a)		<b>2,398</b>	(2,194)

(a) The aggregate net amount attributable to each category of equity is: surplus \$2,043,000 plus gain from asset revaluation \$355,000 (2005 deficit \$2,279,000 less gains from asset revaluation of \$85,000).

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

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		<b>50,864</b>	42,567
Capital contributions	29	<b>590</b>	-
Grants received	16	<b>1,000</b>	-
Holding account drawdowns		<b>424</b>	424
<b>Net cash provided by State Government</b>		<b>52,878</b>	42,991
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		<b>(10,155)</b>	(10,124)
Supplies and services		<b>(9,800)</b>	(9,486)
Accommodation		<b>(1,331)</b>	(1,379)
Grants and subsidies		<b>(1,995)</b>	(1,509)
Capital user charge		<b>(221)</b>	(468)
GST payments on purchases		<b>(3,350)</b>	(3,417)
GST payments to taxation authority		<b>(793)</b>	(818)
Other payments		<b>(30,426)</b>	(26,104)
<b>Receipts</b>			
User charges and fees		<b>341</b>	377
Interest received		<b>545</b>	307
GST receipts on sales		<b>735</b>	570
GST receipts from taxation authority		<b>3,906</b>	3,010
Other receipts		<b>5,273</b>	7,093
<b>Net cash used in operating activities</b>	30	<b>(47,271)</b>	(41,948)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets	10	<b>3</b>	9
Purchase of non-current physical assets and intangibles	21,2 2	<b>(1,347)</b>	(2,046)
<b>Net cash used in investing activities</b>		<b>(1,344)</b>	(2,037)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,263</b>	(994)
Cash and cash equivalents at the beginning of the period		<b>3,407</b>	4,401
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	30	<b>7,670</b>	3,407

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

**WESTERN AUSTRALIAN TOURISM COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**1. First-time adoption of Australian equivalents to International Financial Reporting Standards**

**General**

This is the Western Australian Tourism Commission's (WATC) first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS).

Accounting Standard AASB 1 'First-time Adoption of Australian equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements of the WATC had been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Australian Accounting Standards and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information is prepared under the AIFRS basis.

**Early adoption of standards**

The WATC cannot early adopt an Australian Accounting Standard or UIG interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards; AASB 2005-3 'Amendments to Australian Accounting Standards [AASB 119]', AASB 2005-4 'Amendments to Australian Accounting Standards [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at note 41 'Reconciliations explaining the transition to AIFRS'.

**2. Summary of significant accounting policies**

**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

**(b) Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.



**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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

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

**(c) Reporting Entity**

The reporting entity comprises the WATC.

**(d) Contributed Equity**

UIG Interpretation 1038 'Contributions by Owners made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. (See note 29 'Equity'.)

**(e) Income**

**Revenue**

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

*Sale of goods*

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

*Rendering of services*

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion.

*Interest*

Revenue is recognised as the interest accrues.

*Service Appropriations*

Service Appropriations are recognised as revenues at nominal value in the period in which the WATC gains control of the appropriated funds. The WATC gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at the Department of Treasury and Finance. (See note 16 'Income from State Government').

*Grants, donations, gifts and other non-reciprocal contributions*

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value.

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes. (See note 16c 'Income from State Government')

**Gains**

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**(f) Borrowing Costs**

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

**(g) Property, Plant and Equipment and Infrastructure**

*Capitalisation/Expensing of assets*

Items of property, plant and equipment and infrastructure costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

*Initial recognition and measurement*

All items of property, plant and equipment and infrastructure are initially recognised at cost.

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

*Subsequent measurement*

After recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

The revaluation of land and buildings is provided independently on an annual basis by the Department of Land Information (Valuation Services).

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. Land under infrastructure is included in land reported under Property, plant and equipment and is revalued annually by the Department of Land Information (Valuation Services).

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to note 21 'Property, plant and equipment' for further information on revaluations.

*Depreciation*

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

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

Land is not depreciated. Depreciation on other assets is calculated using the straight-line basis using rates which are reviewed annually. Estimated 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
Motor vehicles	3–7 years

**(h) Intangible Assets**

*Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing over \$1,000 and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

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

Software(a)	3–5 years
Website costs	3–5 years

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

*Computer Software*

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

*Website costs*

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

**(i) Impairment of Assets**

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

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

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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

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

See note 24 'Impairment of assets' for the outcome of impairment reviews and testing.  
See note 2(o) and note 18 'Receivables' for impairment of receivables.

**(j) Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the WATC is expected to benefit from their use. Minimum lease payments are allocated between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The WATC holds operating leases for head office and a number of branch office buildings. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

**(k) Financial Instruments**

The WATC has three categories of financial instrument:

- Receivables (includes cash and cash equivalents); and
- Non-trading financial liabilities (payables)
- Available for sale asset (investment).

Initial recognition and measurement is at fair value which normally equates to the transaction cost or face value. The subsequent measurement of receivables and cash is at amortised cost using the effective interest method. The subsequent measurement of available for sale assets is fair value with gains or losses recognised directly in equity.

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

**(l) Cash and Cash Equivalents**

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

**(m) Accrued Salaries**

The accrued salaries suspense account (see note 17 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (see note 28 'Other liabilities') 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. Accrued salaries are settled within a fortnight of the financial year-end. The WATC considers the carrying amount of accrued salaries to be equivalent to its net fair value.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**(n) Amounts Receivable for Services (Holding Account)**

The WATC receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 16 'Income from State Government' and note 23 'Amounts receivable for services'.

**(o) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the WATC will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(k) 'Financial Instruments' and note 18 'Receivables'.

**(p) Payables**

Payables are recognised at the amounts payable when the WATC becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(l) 'Financial Instruments' and note 26 'Payables'.

**(q) Provisions**

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date. See note 27 'Provisions'

**(i) Provisions – Employee Benefits**

*Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the WATC does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

*Superannuation*

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation (GSS) Scheme, a defined benefit lump sum scheme also closed to new members.

The WATC has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the WATC to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation (WSS) Scheme, an accumulation scheme. The WATC makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth *Government's Superannuation Guarantee (Administration) Act 1992*. The WSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect to it.

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

See also note 2(r) 'Superannuation expense'.

**(ii) Provisions – Other**

*Employment On-Costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as separate liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the WATC's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See note 13 'Other expenses' and note 27 'Provisions'.

**(r) Superannuation Expense**

The following elements are included in calculating a superannuation expense in the Income Statement:

- (a) Defined benefit plans – Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and
- (b) Defined contribution plans – Employer contributions paid to the GSS and the WSS Scheme.

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (refer note 2(r)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement. See note 16 'Income from State Government'.

**(s) Resources Received Free of Charge or for Nominal Cost**

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

**(t) Foreign currency translation**

The WATC has offices in Singapore and Japan. These offices maintain local bank accounts, the balances of which are included in the balances of cash-on-hand and permanent advances. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the closing foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

**(u) Comparative Figures**

Comparative figures have been restated on the AIFRS basis except for financial instruments which have been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**3. Disclosure of changes in accounting policy and estimates**

The WATC cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in note 1, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the WATC has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date.

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of a financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.
2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Authority does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.
3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the WATC has not entered into any arrangements as specified in the interpretation resulting in no impact when the interpretation is first applied. The interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.
4. In the current financial year the WATC adopted AASB 132: 'Financial Instrument: Disclosure & Presentation' and AASB 139: 'Financial Instruments: Recognition and Measurement'. This change in accounting policy has been adopted in accordance with the transition rules contained in AASB 1, which does not require the restatement of comparative information for financial instruments within the scope of AASB 139. The impact on the balance sheet in the comparative period is set out below as an adjustment to the opening balance sheet at 1 July 2005. The impact on the income statement of the comparative period would have been to increase financial expenses and decrease profit for the period to the extent that there was a loss on the fair value of the interest rate swap. The transitional provisions will not have any effect in future reporting periods.

**Reconciliation of opening balances affected by AASB 132 and 139 at 1 July 2005**

	<b>Note</b>	<b>Previous GAAP</b>	<b>Effect of Transition to AIFRSs</b>	<b>AIFRSs</b>
Income (Other revenue)	A	-	189,415	189,415
Retained earnings			(189,415)	(189,415)

**(a) Available for sale investments and derivative financial instruments**

Under previous GAAP, WATC measured investments in unlisted companies at the lower of cost and recoverable amount. Consistent with AIFRS, investments in unlisted companies have been classified as financial instruments available-for-sale and have been recognised at fair value at the date of transition to AIFRS. However the effect of the fair value is to decrease income by the revaluation of the investment of \$189,415 and increase equity by \$189,415.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

The following amendments are not applicable to the WATC as they will have no impact:

<b>AASB Amendment</b>	<b>Affected Standards</b>
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.



**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>4. Employee benefits expense</b>		
Wages and salaries (a)	<b>8,426</b>	7,431
Superannuation – defined contribution plans (b)	<b>918</b>	766
Superannuation – defined benefit plans (c) (d)	<b>35</b>	84
Long service leave (e)	<b>211</b>	418
Annual leave (e)	<b>873</b>	888
Redundancy	<b>136</b>	246
Other related expenses	<b>51</b>	96
	<b>10,650</b>	9,929

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

(b) Defined contribution plans include West State and Gold State (Contributions paid).

(c) Defined benefits plans include Pension scheme and Gold State (pre-transfer benefit).

(d) An equivalent notional income is also recognised (see note 16 'Income from State Government').

(e) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 12 'Other expenses'. The employment on-costs liability is included at note 27 'Provisions'.

**5. Supplies and services**

Commissioner's fees and charges	<b>264</b>	312
Communications expenses	<b>404</b>	530
Computer expenses	<b>671</b>	661
Contract for service	<b>3,155</b>	3,165
General administration expenses	<b>1,950</b>	1,716
Insurance	<b>66</b>	113
Printing and stationery	<b>145</b>	147
Professional and legal services	<b>1,458</b>	830
Research	<b>705</b>	718
Shareholding expense	<b>197</b>	120
Taxation	<b>138</b>	218
Travel	<b>655</b>	455
Vehicles	<b>522</b>	527
	<b>10,330</b>	9,512

**6. Depreciation and amortisation expense**

Furniture, fittings and equipment	<b>134</b>	112
Computer equipment	<b>315</b>	296
Leasehold improvements	<b>218</b>	197
Motor vehicles	<b>19</b>	7
<b>Total depreciation</b>	<b>686</b>	612
<b>Amortisation</b>		
Software and web development	<b>475</b>	384
<b>Total amortisation</b>	<b>475</b>	384
<b>Total depreciation and amortisation</b>	<b>1,161</b>	996

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>7. Accommodation expenses</b>		
Cleaning	17	27
Lease rentals	1,130	1,407
Rates and taxes	4	9
Repairs and maintenance (a)	339	766
	<b>1,490</b>	<b>2,209</b>

(a) On 12 July 2004, the WATC relocated its head office to 2 Mill Street, Perth; the repairs and maintenance item includes amounts paid for outgoing, cleaning and 'the make good' of the vacated premises.

**8. Grants and subsidies**

Regional Tourism Organisations	896	1,894
Convention Assistance Support Team	-	1,000
Visitor Centres	420	-
Other grants	-	11
	<b>1,316</b>	<b>2,905</b>

**9. Capital user charge**

Capital User Charge	221	176
	<b>221</b>	<b>176</b>

The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the WATC, excluding exempt assets, and is paid to the Department of Treasury and Finance quarterly.

**10. Net gain/(loss) on disposal of non-current assets**

<b><u>Costs of disposal of non-current assets</u></b>		
Plant, equipment and vehicles	13	41
<b><u>Proceeds from disposal of non-current assets</u></b>		
Plant, equipment and vehicles	3	9
<b>Net gain/(loss)</b>	<b>(10)</b>	<b>(32)</b>

See also note 2(j) 'Non-current assets (or disposal groups) classified as held for sale' and note 21 'Property, plant and equipment'.

**11. Event operations expenses**

Bidding and event sponsorship	8,248	3,350
Event management	10,656	10,495
	<b>18,904</b>	<b>13,845</b>

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>12. Other expenses</b>		
Advertising – production and placement	<b>3,695</b>	2,682
Collateral – production and distribution	<b>402</b>	280
Employment on-costs (a)	<b>590</b>	562
Electronic distribution	<b>576</b>	1,150
Familiarisation visits	<b>2,268</b>	1,369
General administration	<b>1,204</b>	1,680
Promotions and co-operative campaigns	<b>6,478</b>	6,171
Travel shows, seminars, etc.	<b>743</b>	1,163
	<b>15,956</b>	15,057

- (a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 27 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**13. User charges and fees**

Network memberships	<b>335</b>	318
	<b>335</b>	318

**14. Interest revenue**

Interest – general bank account	<b>554</b>	286
	<b>554</b>	286

**15. Other revenue**

Event operations (a)	<b>4,748</b>	5,289
Industry contributions (b)	<b>2,609</b>	2,516
Travel agents' commissions	<b>287</b>	356
Sundry	<b>480</b>	313
	<b>8,124</b>	8,474

- (a) Event operations revenue is comprised of cash, as well as the value of goods and services received in lieu of cash for the management and sponsorship of events conducted by EventsCorp, a division of the WATC.
- (b) The amount shown for Industry contributions is the value the tourist industry contributes to participate in the WATC's co-operative marketing activities and the familiarisation program.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>16. Income from State Government</b>		
Appropriation received during the year:		
Service appropriation (a)	<b>51,932</b>	42,991
	<b>51,932</b>	42,991
The following liabilities have been assumed by the Treasurer:		
- Superannuation (b)	<b>35</b>	84
	<b>35</b>	84
The following grants have been received from other state government agencies during the year:		
- Department of Local Government and Regional Development (c)	<b>1,000</b>	-
	<b>1,000</b>	-
Resources received free of charge:		
- Department of Treasury and Finance (d)	<b>101</b>	229
	<b>101</b>	229
	<b>53,068</b>	43,304

- (a) Service appropriations are accrual amounts reflecting the full cost of services 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.
- (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme. (The notional superannuation expense is disclosed at note 5 'Employee Benefits Expense'.)
- (c) The WATC received a grant from the Department of Local Government and Regional Development to implement the recommendations of a study into visitor servicing in the State. In 2005-06, \$486,729 was expended and the balance of \$513,271 will be expended in 2006-07.
- (d) Where assets or services have been received free of charge or for nominal consideration, the WATC recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the WATC 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 and cash equivalents**

Current		
- Western Australian Visitor Centre (a)	<b>29</b>	125
	<b>29</b>	125
Non-current		
- Accrued salaries suspense account (b)	<b>41</b>	-
	<b>41</b>	-

- (a) The Restricted Cash Assets relate to the Western Australian Visitor Centre operations and comprise the deposits held on behalf of clients and amounts due to operators.
- (b) Amount held in the suspense account is only to be used for the purpose of meeting the 27<sup>th</sup> pay in the financial year that occurs every 11 years.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>18. Receivables</b>		
<b>Current</b>		
Receivables	<b>829</b>	1,616
Allowance for impairment of receivables	<b>(21)</b>	(12)
GST receivable	<b>497</b>	713
Hopman Cup (a)	<b>145</b>	129
	<b>1,450</b>	2,446

(a) Receivable – Hopman Cup

The Hopman Cup is an international tennis event. Since February 2002, the organisation of the event is undertaken by the International Tennis Federation. Under contract, the WATC is entitled to 25% of the profits of the venture.

Distribution due at start of period	<b>129</b>	221
- Adjustment to prior event	<b>6</b>	(3)
Plus Share of Profits for the current event	<b>145</b>	129
	<b>280</b>	347
Less Distribution Received	<b>(135)</b>	(218)
<b>Balance due at end of period</b>	<b>145</b>	129

**19. Prepayments**

Prepayments	<b>1,341</b>	1,835
	<b>1,341</b>	1,835

**20. Other assets**

<b>Current</b>		
Accrued income (a)	<b>101</b>	14
Lease incentive (b)	<b>-</b>	357
	<b>101</b>	371

(a) 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.

(b) The amount shown for lease incentive relates to a rent holiday provided by the WATC's lessor when the WATC relocated to 2 Mill Street, Perth on 12 July 2004.

**21. Property, plant and equipment**

Land & buildings – at fair value (a)	<b>1,831</b>	1,665
Leasehold improvements – at cost	<b>2,259</b>	2,276
Less accumulated depreciation	<b>(655)</b>	(496)
	<b>1,604</b>	1,780
Furniture, fittings and equipment – at cost	<b>1,111</b>	1,145
Less accumulated depreciation	<b>(834)</b>	(827)
	<b>277</b>	318

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>21. Property, plant and equipment (Continued)</b>		
Motor vehicles – at cost	<b>48</b>	48
Less accumulated depreciation	<b>(26)</b>	(7)
	<b>22</b>	41
Computer equipment – at cost	<b>1,779</b>	1,954
Less accumulated depreciation	<b>(1,361)</b>	(1,482)
	<b>418</b>	472
	<b>4,152</b>	4,276

(a) Freehold land and buildings were revalued as at 1 July 2005 by the Department of Land Information (Valuation Services). The valuations were performed during the year ended 30 June 2005 and recognised at 30 June 2006. The fair value of all land and buildings was determined by reference to market values. See note 2(g) 'Property, Plant and Equipment and Infrastructure'.

Reconciliation of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current year and the reporting period are set out below.

<b>2006</b>	<b>Land &amp; buildings</b>	<b>Leasehold improvement</b>	<b>Furniture, fittings and equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at start of year	1,665	1,780	318	472	41	4,276
Additions	-	41	105	261	-	407
Disposals	-	-	(12)	-	-	(12)
Depreciation	-	(218)	(134)	(315)	(19)	(686)
Revaluation increments	166	-	-	-	-	166
Carrying amount at end of year	1,831	1,604	277	418	22	4,152

<b>2005</b>	<b>Land &amp; buildings</b>	<b>Leasehold improvement</b>	<b>Furniture, fittings and equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at start of year	1,580	46	396	460	-	2,482
Additions	-	1,946	42	327	48	2,363
Disposals	-	(15)	(8)	(19)	-	(42)
Depreciation	-	(197)	(112)	(296)	(7)	(612)
Revaluation increments	85	-	-	-	-	85
Carrying amount at end of year	1,665	1,780	318	472	41	4,276

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>22. Intangible assets</b>		
Software and website development	<b>2,092</b>	1,152
Less accumulated amortisation	<b>(955)</b>	(480)
	<b>1,137</b>	672

**Reconciliation**

Carrying amount at start of year	<b>672</b>	1,152
Additions	<b>940</b>	-
Disposals	-	-
Depreciation	<b>(475)</b>	(480)
Revaluation decrements	-	-
Carrying amount at end of year	<b>1,137</b>	672

**23. Amounts receivable for services**

Current	<b>424</b>	424
Non-current	<b>644</b>	-
	<b>1,068</b>	424

Represents the non-cash component of service appropriations (see note 2(n) 'Amounts receivable for services (Holding Account)'). It is restricted in that it can only be used for asset replacement or payment of leave liability.

**24. Impairment of assets**

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2006.

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

All surplus assets at 30 June 2006 have been classified as assets held for sale or written-off.

**25. Investments**

Investment	<b>299</b>	400
Provision for diminution (b)	-	(290)
	<b>299</b>	110

- (b) The WATC holds an 11.1% interest in Australian Tourism Data Warehouse Pty Ltd (ATDW), which is classified as an available-for-sale asset in accordance with AASB139. Its principal activity is the development of a database for Australian tourism products. Since there is no active market, the fair value is its liquidation value being working capital plus property, plant and equipment.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$'000	2005 \$'000
<b>26. Payables</b>		
Trade payables	1,790	557
	<b>1,790</b>	<b>557</b>
See note 2 (p) 'Payables' and note 34 'Financial instrument disclosures'		
<b>27. Provisions</b>		
<b>Current:</b>		
<b>Employee benefit provision</b>		
Annual leave (a)	1,135	908
Long service leave (b)	835	747
Retirement benefit	102	-
Purchased annual leave	9	-
Deferred salary scheme	18	-
	<b>2,099</b>	1,655
<b>Other Provisions</b>		
Employment on-costs (c)	109	106
	<b>109</b>	106
	<b>2,208</b>	1,761
<b>Non-current:</b>		
<b>Employee benefit provision</b>		
Long service leave (b)	834	817
Deferred salary scheme	16	23
	<b>850</b>	840
<b>Other Provisions</b>		
Employment on-costs (c)	47	34
	<b>47</b>	34
	<b>897</b>	874
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	708	567
More than 12 months after reporting date	427	341
	<b>1,135</b>	908
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	536	406
More than 12 months after reporting date	1,133	1,158
	<b>1,669</b>	1,564



**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>

**27. Provisions (Continued)**

- (c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 12 'Other expenses'.

**Movement in other provisions**

**Employment on-costs provision**

Carrying amount at start of year	<b>140</b>	145
Additional provisions recognised	<b>16</b>	(5)
Carrying amount at end of year	<b>156</b>	140

**28. Other liabilities**

**Current**

Accrued expenses	<b>2,203</b>	2,139
Income in advance	<b>823</b>	751
Deferred grants	<b>1,281</b>	2,525
Accrued salaries	<b>186</b>	-
Lease incentive liability (a)	<b>158</b>	158
	<b>4,651</b>	5,573

**Non-current**

Lease incentive liability (a)	<b>1,051</b>	1,208
Unclaimed monies	<b>65</b>	-
	<b>1,116</b>	1,208

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

**29. Equity**

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

**Contributed equity**

Balance at start of year	<b>3,610</b>	3,610
--------------------------	--------------	-------

**Contributions by owners**

Capital contribution	<b>590</b>	-
Total contributions by owners	<b>590</b>	-

<b>Balance at end of year</b>	<b>4,200</b>	3,610
-------------------------------	--------------	-------

**Reserves**

**Asset revaluation reserve**

Balance at start of year	<b>1,665</b>	1,580
Net revaluation increments/(decrements)	<b>355</b>	85
<b>Balance at end of year</b>	<b>2,020</b>	1,665

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$'000	2005 \$'000
<b>29. Equity (Continued)</b>		
<b>Accumulated surplus/(deficit) (Retained earnings)</b>		
Balance at start of year	(1,707)	572
Results for the period	2,043	(2,279)
<b>Balance at end of year</b>	<b>336</b>	<b>(1,707)</b>

**30. Notes to the Cash Flow Statement**

**Reconciliation of cash**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance Sheet as follows:

**Cash assets**

- Cash and cash equivalents	7,600	3,282
- Restricted cash and cash equivalents (a)	70	125
	<b>7,670</b>	<b>3,407</b>

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

<b>Net cost of services</b>	(51,025)	(45,583)
<b>Non-cash items:</b>		
Depreciation and amortisation expense	1,161	996
Doubtful debt expense	9	3
Resources received free-of-charge	101	229
Net (gain)/loss on sale of property, plant and equipment	10	32
Liabilities assumed by the Treasurer	35	-
Assets assumed by lessor	-	(317)
<b>(Increase)/decrease in assets:</b>		
Current receivables	771	733
Other current assets	765	(765)
<b>Increase/(decrease) in liabilities:</b>		
Current payables	1,233	(268)
Current provisions	446	(546)
Other current liabilities	(923)	2,217
Non-current provisions	23	343
Other non-current liabilities	(158)	1,208
Net GST receipts/(payments)	498	(656)
Change in GST in receivables/payables	(217)	426
<b>Net cash provided by/(used in) operating activities</b>	<b>(47,271)</b>	<b>(41,948)</b>

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>31. Commitments</b>		
<b>Lease commitments</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable:		
Within one year	<b>1,603</b>	908
Later than one year and not later than five years	<b>4,561</b>	3,106
Later than five years	<b>2,758</b>	3,269
	<b>8,922</b>	7,283

The WATC leases its motor vehicle fleet from Statefleet, a Division of the Department of Treasury and Finance. Property is rented under lease to the Honourable Minister for Housing and Works. The property leases are non-cancellable leases with terms of up to ten years; rent is payable monthly in advance.

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

Other expenditure commitments in relation to sponsoring sporting events within Western Australia and the funding of Regional Tourism Organisations for intrastate marketing were contracted for at the reporting date but not recognised as liabilities, are payable as follows:

Within one year	<b>5,600</b>	11,683
Later than one year and not later than five years	<b>7,745</b>	7,661
Later than five years	-	-
	<b>13,345</b>	19,344

These commitments are inclusive of GST.

**32. Contingent liabilities and contingent assets**

**Contingent liabilities**

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

The WATC has a contingent liability under an agreement with Hopman Cup Pty Ltd in respect to the Hopman Cup, an annual international mixed teams tennis event. Under the agreement, the WATC is required to meet the first \$2,000,000 of any loss or deficit.

**Contingent assets**

The WATC had no contingent assets at 30 June 2006.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**33. Explanatory statement**

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$250,000.

**Significant variations between estimated and actual result for 2006**

<b>Classification</b>	<b>Estimate 2006 \$'000</b>	<b>Actual 2006 \$'000</b>	<b>Variance \$'000</b>
<b>Income</b>			
Other revenue	7,677	8,313	636
<b>Expenditure</b>			
Grants and subsidies	1,782	1,316	(466)
Event operations expense	19,707	18,904	(803)
Other expenses	17,222	15,956	(1,266)

**Other Revenue**

Additional revenues were received for entry fees to the Lake Argyle Museum (\$81,800), Hopman Cup share of profits (\$100,712), workers compensation recoups (\$29,228) and an adjustment to the value of WATC's investment in the Australian Tourism Data Warehouse Pty Ltd (\$189,451).

**Grants and subsidies**

The variance relates to the deferral of awarding Visitor Centre grants to 2005–06 (\$400,000).

**Event operations expense**

The surplus relates to unallocated funds from the future events and regional events funding pools; the unallocated amounts will be carried forward to meet future contracted commitments (\$690,612).

**Other expenses**

The surplus relates to unexpended funds from a number of activities which will be carried forward to meet future contracted commitments (\$1,105,823).

**Significant variances between actual results for 2005 and 2006.**

<b>CLASS</b>	<b>ACTUAL 2006 \$'000</b>	<b>ACTUAL 2005 \$'000</b>	<b>VARIANCE \$'000</b>
<b>Income</b>			
Interest revenue	554	286	268
<b>Expenditure</b>			
Employee benefit expense	10,601	9,929	672
Supplies and services	10,330	9,512	818
Accommodation and equipment rental expense	1,490	2,209	(719)
Grants and subsidies	1,316	2,905	(1,589)
Event operations expenditure	18,904	13,845	5,059
Other expenses	15,956	15,057	899

**Interest revenue**

Increased interest revenue is due to higher interest rates and an increase in the funds available for deposit.

**WESTERN AUSTRALIAN TOURISM COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**33. Explanatory statement (Continued)**

**Employee benefit expenses**

The increase in employee benefit expense relates to additional staff employed to undertake increased activities (2005: 154.4 employees, 2006: 169.6 employees). Total funding for the WATC increased from \$42.9 million in 2004–05 to \$51.9 million in 2005–06. There was also an increase in non-current provisions to rectify an understatement in provisions for 2004–05.

**Supplies and services**

The difference between the totals is due to activities being undertaken in 2005–06 that were not undertaken in 2004–05, they included commencement of Landbank (\$284,412), preparing an industry 30–year vision (\$59,287) and payment to the Australian Tourism Data Warehouse Pty Ltd (\$189,451).

**Accommodation and equipment rental expense**

The 2004–05 expense included relocation costs of the WATC's head office (\$827,923).

**Grants and subsidies**

The 2004–05 included non-recurrent grants to the Perth Convention Bureau Inc. (\$1,000,000) and the five Regional Tourism Organisations (\$500,000).

**Event operations expense**

In 2005–06, WATC sponsored events such as the Johnnie Walker Golf Tournament (\$3,316,358) and the Clipper International Yacht Race (\$885,470) that were not conducted in 2004–05.

**Other expenses**

The expenditure for 2005–06 included the carryover of unexpended marketing boost campaign funds from 2004–05 (\$900,000).

**34. Financial instruments disclosures**

**(a) Financial risk management objectives and policies**

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

**Credit risk**

The WATC trades only with recognised, creditworthy third parties. The WATC has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the WATC's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

**Liquidity risk**

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

**Cash flow interest rate risk**

The WATC is not exposed to interest rate risk other than cash and cash equivalents and restricted cash which are interest-bearing.

**Foreign exchange risk**

The WATC's activities expose it to a variety of financial risks/ market risk, including currency risks. The WATC's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the WATC. The WATC uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures.

Risk management is carried out by a central Audit and Finance Committee (AFC) under policies approved by the Board of the WATC. The AFC identifies, evaluates and hedges financial risks in close co-operation with the WATC's operational divisions, as well as written policies covering specific areas, such as mitigating foreign exchange exposures.

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**34. Financial instruments disclosures (continued)**

Market Risk – Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the WATC's functional currency.

WATC operates internationally and is exposed to foreign exchange risk arising from currency exposures to a number of foreign currencies.

Forward contracts, transacted via the Western Australian Treasury Corporation, are used to manage risk. The AFC is responsible for managing exposures in each foreign currency by using external forward currency contracts.

The WATC risk management policy is to hedge foreign currency exposures for contracted amounts in excess of Australian dollars (AUD50,000).

**(b) Financial instrument disclosures**

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. See also note 2(t) 'Comparative figures'.

**Interest rate risk exposure**

The following table details the WATC's exposure to interest rate risk as at the reporting date.

	Weighted average effective interest rate	Variable Interest rate	Fixed interest rate maturities						Non- Interest- bearing	Total
			Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years		
2006	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>										
Cash and cash equivalents	5.48	7,568	-	-	-	-	-	-	32	7,600
Restricted cash and cash equivalents	5.25	70	-	-	-	-	-	-	-	70
Receivables		-	-	-	-	-	-	-	1,450	1,450
Amounts receivable for services		-	-	-	-	-	-	-	1,068	1,068
		<b>7,638</b>	-	-	-	-	-	-	<b>2,550</b>	<b>10,188</b>
<b>Financial Liabilities</b>										
Payables		-	-	-	-	-	-	-	1,790	1,790
		-	-	-	-	-	-	-	<b>1,790</b>	<b>1,790</b>

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**34. Financial instruments disclosures (continued)**

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturities			Non- Interest- bearing	Total
			1 Year or Less	1 to 5	Over 5		
2005	%	\$'000	\$'000	Years \$'000	Years \$'000	\$'000	\$'000
<b>Financial Assets</b>							
Cash and cash equivalents	4.9	3,121	-	-	-	161	3,282
Restricted cash and cash equivalents	5.0	125	-	-	-	-	125
Receivables		-	-	-	-	2,446	2,446
Amounts Receivable for services		-	-	-	-	424	424
		<b>3,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,031</b>	<b>6,277</b>
<b>Financial Liabilities</b>							
Payables		-	-	-	-	557	557
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>557</b>	<b>557</b>

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

**35. Supplementary financial information**

**Losses through theft, defaults and other causes**

Losses of public monies and public and other property through theft or default. 6 5

	2006 \$'000	2005 \$'000
--	----------------	----------------

**36. 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, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$10,001 - \$20,000	9	9
\$50,001 - \$60,000	1	1

The total remuneration of the members of the Accountable Authority is: 214 210

No members of the Board are members of the pension scheme.

**Remuneration of senior officers**

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

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>36. Remuneration of members of the accountable authority and senior officers (Continued)</b>		
\$40,001 - \$50,000	-	1
\$70,001 - \$80,000	-	1
\$110,001 - \$120,000	-	1
\$120,001 - \$130,000	<b>3</b>	1
\$130,001 - \$140,000	-	2
\$140,001 - \$150,000	<b>2</b>	-
\$280,001 - \$290,000	<b>1</b>	1

The total remuneration of senior officers is:	<b>930</b>	911
---	------------	-----

The total remuneration includes the superannuation expense incurred by the WATC in respect of senior officers other than senior officers reported as members of the Board.

No senior officers are members of the pension scheme.

**37. Remuneration of Auditor**

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators	<b>73</b>	67
--	-----------	----

**38. Affiliated body**

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

The WATC controls the activities of the PCB to the extent that it provides the majority of the PCB's funding and that the PCB has contracted to submit their annual operational plan and budget for approval by the WATC prior to implementation. The PCB is not subject to operational control by the WATC.

Payments made to PCB in 2005-06 totalled \$1,406,622, by comparison, payments totalling \$1,111,000 were made in 2004-05.



**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**  
**39. Schedule of Income and Expenses by Service**

	Destination Marketing		Event Tourism		Convention and Incentive Travel	
	2006	2005	2006	2005	2006	2005
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	4,939	4,816	1,556	1,154	-	-
Supplies and services	5,549	5,146	853	995	1,010	1,010
Depreciation and amortisation expense	512	449	177	143	-	-
Accommodation expenses	663	1,158	158	220	-	-
Grants and subsidies	396	1,893	-	-	-	1,000
Capital user charge	98	79	41	33	-	-
Loss on disposal of non-current assets	4	23	2	3	-	-
Event operations expense	20	-	18,878	13,845	-	-
Other expenses	14,906	13,773	312	329	-	-
<b>Total cost of services</b>	<b>27,087</b>	<b>27,337</b>	<b>21,977</b>	<b>16,722</b>	<b>1,010</b>	<b>2,010</b>
<b>Income</b>						
User charges and fees	-	-	-	-	-	-
Other revenue	2,137	2,370	5,263	5,326	-	-
Interest revenue	247	127	103	53	-	-
<b>Total income other than income from State Government</b>	<b>2,384</b>	<b>2,497</b>	<b>5,366</b>	<b>5,379</b>	<b>-</b>	<b>-</b>
<b>Net cost of services</b>	<b>24,703</b>	<b>24,840</b>	<b>16,611</b>	<b>11,343</b>	<b>1,010</b>	<b>2,010</b>
<b>Income from State Government</b>						
Service appropriation	25,525	22,973	17,132	10,652	1,010	2,010
Liabilities assumed by the Treasurer	17	38	6	16	-	-
Resources received free-of-charge	45	103	19	42	-	-
<b>Total income from State Government</b>	<b>25,587</b>	<b>23,114</b>	<b>17,157</b>	<b>10,710</b>	<b>1,010</b>	<b>2,010</b>
<b>Surplus/(deficit) for the period</b>	<b>884</b>	<b>(1,726)</b>	<b>546</b>	<b>(633)</b>	<b>-</b>	<b>-</b>

<b>This follows on from the table above</b>	Industry Development		Visitor Servicing		Total	
	2006	2005	2006	2005	2006	2005
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	2,380	2,173	1,775	1,786	10,650	9,929
Supplies and services	1,819	1,288	1,099	1,073	10,330	9,512
Depreciation and amortisation expense	230	193	242	211	1,161	996
Accommodation expenses	259	392	410	439	1,490	2,209
Grants and subsidies	-	10	920	2	1,316	2,905
Capital user charge	41	32	41	32	221	176
Loss on disposal of non-current assets	2	3	2	3	10	32
Event operations expense	5	-	1	-	18,904	13,845
Other expenses	424	570	314	385	15,956	15,057
<b>Total cost of services</b>	<b>5,160</b>	<b>4,661</b>	<b>4,804</b>	<b>3,931</b>	<b>60,038</b>	<b>54,661</b>
<b>Income</b>						
User charges and fees	-	-	335	318	335	318
Other revenue from operating activities	152	294	572	484	8,124	8,474
Interest revenue	102	53	102	53	554	286
<b>Total income other than income from State Government</b>	<b>254</b>	<b>347</b>	<b>1,009</b>	<b>855</b>	<b>9,013</b>	<b>9,078</b>
<b>Net cost of services</b>	<b>4,906</b>	<b>4,314</b>	<b>3,795</b>	<b>3,084</b>	<b>51,025</b>	<b>45,583</b>
<b>Income from State Government</b>						
Service appropriation	5,034	4,124	3,231	3,232	51,932	42,991
Liabilities assumed by the Treasurer	6	15	6	15	35	84
Grants received	-	-	1,000	-	1,000	-
Resources received free-of-charge	19	42	18	42	101	229
<b>Total income from State Government</b>	<b>5,059</b>	<b>4,181</b>	<b>4,255</b>	<b>3,289</b>	<b>53,068</b>	<b>43,304</b>
<b>Surplus/(deficit) for the period</b>	<b>153</b>	<b>(133)</b>	<b>460</b>	<b>213</b>	<b>2,043</b>	<b>(2,279)</b>

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**40. Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)**

**RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004 (AASB 1.39(a)(i))**

Note		Previous AGAAP 01 July 2004	Adjustments			Total Adjustments	AIFRS 01 July 2004
		\$'000	AASB 119 40.2(a) \$'000	AASB 101.75(b) 40.3(a) \$'000	AASB 138 40.1 (a) \$'000	\$'000	\$'000
<b>ASSETS</b>							
<b>Current Assets</b>							
(1)	Cash and cash equivalents	4,274	-	-	-	-	4,274
	Restricted cash and cash equivalents	127	-	-	-	-	127
	Receivables	2,686	-	-	-	-	2,686
	Prepayments	-	-	1,420	-	1,420	1,420
(2)	Amounts receivable for services	424	-	-	-	-	424
(3)	Other current assets	1,441	-	(1,420)	-	(1,420)	21
<b>Total Current Assets</b>		<b>8,952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,952</b>
<b>Non-Current Assets</b>							
	Property, plant and equipment	3,538	-	-	(1,056)	(1,056)	2,482
	Intangibles assets	-	-	-	1,056	1,056	1,056
	Investments	230	-	-	-	-	230
<b>Total Non-Current Assets</b>		<b>3,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,768</b>
<b>TOTAL ASSETS</b>		<b>12,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,720</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
	Payables	763	-	-	-	-	763
	Provisions	1,704	603	-	-	603	2,307
(4)	Other current liabilities	3,357	-	-	-	-	3,357
<b>Total Current Liabilities</b>		<b>5,824</b>	<b>603</b>	<b>-</b>	<b>-</b>	<b>603</b>	<b>6,427</b>
<b>Non-Current Liabilities</b>							
	Provisions	1,153	(622)	-	-	(622)	531
(5)	Other non-current liabilities	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>		<b>1,153</b>	<b>(622)</b>	<b>-</b>	<b>-</b>	<b>(622)</b>	<b>531</b>
<b>TOTAL LIABILITIES</b>		<b>6,977</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>6,958</b>
<b>NET ASSETS</b>		<b>5,743</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>5,762</b>
<b>EQUITY</b>							
	Contributed equity	3,610	-	-	-	-	3,610
	Reserves	1,580	-	-	-	-	1,580
	Accumulated surplus/(deficiency)	553	19	-	-	19	572
<b>TOTAL EQUITY</b>		<b>5,743</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>5,762</b>
(1)	Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and cash equivalents')						
(2)	Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')						
(3)	Equivalent AGAAP line item 'Other Assets' (AIFRS 'Other current assets')						
(4)	Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')						
(5)	Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other non-current liabilities')						

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUNE 2005**  
**AASB 1.39(a)(ii)**

Note	AGAAP 30 June 2005	Adjustments			Total Adjustment s	AIFRS 01 July 2005
	\$'000	AASB 119 40.2(b) \$'000	AASB 101.75(b) 40.3(b) \$'000	AASB 138 40.1(b) \$'000	\$'000	\$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
(1) Cash and cash equivalents	3,282	-	-	-	-	3,282
Restricted cash and cash equivalents	125	-	-	-	-	125
Receivables	2,446	-	-	-	-	2,446
Prepayments	-	-	1,835	-	1,835	1,835
(2) Amounts receivable for services	424	-	-	-	-	424
(3) Other current assets	2,206	-	(1,835)	-	(1,835)	371
<b>Total Current Assets</b>	<b>8,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,483</b>
<b>Non-Current Assets</b>						
Property, plant and equipment	4,948	-	-	(672)	(672)	4,276
Intangible assets	-	-	-	672	672	672
Investments	110	-	-	-	-	110
<b>Total Non-Current Assets</b>	<b>5,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,058</b>
<b>TOTAL ASSETS</b>	<b>13,541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,541</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	557	-	-	-	-	557
Provisions	1,529	232	-	-	232	1,761
(4) Other current liabilities	5,573	-	-	-	-	5,573
<b>Total Current Liabilities</b>	<b>7,659</b>	<b>232</b>	<b>-</b>	<b>-</b>	<b>232</b>	<b>7,891</b>
<b>Non-Current Liabilities</b>						
Provisions	1,118	(244)	-	-	(244)	874
(5) Other non-current liabilities	1,208	-	-	-	-	1,208
<b>Total Non-Current Liabilities</b>	<b>2,326</b>	<b>(244)</b>	<b>-</b>	<b>-</b>	<b>(244)</b>	<b>2,082</b>
<b>TOTAL LIABILITIES</b>	<b>9,985</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>9,973</b>
<b>NET ASSETS</b>	<b>3,556</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>3,568</b>
<b>EQUITY</b>						
Contributed equity	3,610	-	-	-	-	3,610
Reserves	1,665	-	-	-	-	1,665
Accumulated surplus/(deficiency)	(1,719)	12	-	-	12	(1,707)
<b>TOTAL EQUITY</b>	<b>3,556</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>3,568</b>

The transition to AIFRS includes adjustments for the transition AIFRS as at 1 July 2004 plus adjustments for the period 1 July 2004 to 30 June 2005.

- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents')
- (2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
- (3) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Other current assets')
- (4) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')
- (5) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other non-current liabilities')

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR THE YEAR ENDED 30 JUNE 2005**  
**(AASB 1.39(b))**

Note	AGAAP 30 June 2005	Adjustments		Total	AIFRS 01 July 2005
		Net gains on disposal AASB 116 40.4 \$'000	AASB 119 40.2(c)		
	\$'000	\$'000		\$'000	\$'000
<b>COST OF SERVICES</b>					
<b>Expenses</b>					
(1) Employee benefits expense	10,484	-	(555)	(555)	9,929
(2) Supplies and services	9,512	-	-	-	9,512
Depreciation and amortisation expense	996	-	-	-	996
Accommodation and equipment rental expenses	2,209	-	-	-	2,209
Grants and subsidies	2,905	-	-	-	2,905
Capital user charge	176	-	-	-	176
(3) Carrying amount of non-current assets disposed of	41	(41)	-	(41)	-
(3) Loss on disposal of non-current assets	-	32	-	32	32
Event operations expense	13,845	-	-	-	13,845
(4) Other expenses	14,495	-	562	562	15,057
<b>Total Cost of Services</b>	<b>54,663</b>	<b>(9)</b>	<b>(7)</b>	<b>(21)</b>	<b>54,661</b>
<b>Income</b>					
<b>Revenue</b>					
User charges and fees	318	-	-	-	318
(5) Other revenue	8,474	-	-	-	8,474
Interest revenue	286	-	-	-	286
<b>Gains</b>					
(3) Proceeds from disposal of non-current assets	9	(9)	-	(9)	-
<b>Total income other than income from State Government</b>	<b>9,087</b>	<b>(9)</b>	<b>-</b>	<b>(9)</b>	<b>9,078</b>
<b>NET COST OF SERVICES</b>	<b>45,576</b>	<b>-</b>	<b>(7)</b>	<b>(7)</b>	<b>45,583</b>
<b>INCOME FROM STATE GOVERNMENT</b>					
Service appropriation	42,991	-	-	-	42,991
Resources received free-of-charge	229	-	-	-	229
Liabilities assumed by the Treasurer	84	-	-	-	84
<b>Total income from State Government</b>	<b>43,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,304</b>
(6) <b>Surplus/(deficit) for the period</b>	<b>(2,272)</b>	<b>-</b>	<b>(7)</b>	<b>(7)</b>	<b>(2,279)</b>

See Statement of Changes in Equity.

- (1) Equivalent AGAAP line item 'Employee expenses' (AIFRS 'Employee benefits expense')
- (2) Supplies and services (AGAAP \$59,920 at 30 June 2005) now includes Administration expenses (AGAAP \$23,720 at 30 June 2005)
- (3) Disposals are treated on the net basis under AIFRS
- (4) Equivalent AGAAP line item 'Other expenses from ordinary activities' (AIFRS 'Other expenses')
- (5) Equivalent AGAAP line item 'Other revenues from ordinary activities' (AIFRS 'Other revenue')
- (6) Equivalent AGAAP line item 'Change in net assets' (AIFRS 'Surplus/(deficit)')

**WESTERN AUSTRALIAN TOURISM COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**RECONCILIATION OF CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.40)**

	GAAP 30 June 2005	Adjustments	Total	AIFRS 30 June 2005
	\$'000	AASB 119 40.2(d) \$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>				
Service appropriation	42,567	-	-	42,567
Capital contributions	-	-	-	-
Holding account drawdowns	424	-	-	424
<b>Net Cash provided by State Government</b>	<b>42,991</b>	<b>-</b>	<b>-</b>	<b>42,991</b>
Utilised as follows:				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
(1) Employee benefits	(10,648)	524	524	(10,124)
Supplies and services	(9,486)	-	-	(9,486)
Accommodation	(1,379)	-	-	(1,379)
Grants and subsidies	(1,509)	-	-	(1,509)
Capital user charge	(468)	-	-	(468)
GST payments on purchases	(3,417)	-	-	(3,417)
GST payments to taxation authority	(818)	-	-	(818)
Other payments	(25,580)	(524)	(524)	(26,104)
<b>Receipts</b>				
User charges and fees	377	-	-	377
Interest received	307	-	-	307
GST receipts on sales	570	-	-	570
GST receipts from taxation authority	3,010	-	-	3,010
Other receipts	7,093	-	-	7,093
<b>Net cash provided by/(used in) operating activities</b>	<b>(41,948)</b>	<b>-</b>	<b>-</b>	<b>(41,948)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of non-current physical assets	9	-	-	9
Purchase of non-current physical assets	(2,046)	-	-	(2,046)
<b>Net cash provided by/(used in) investing activities</b>	<b>(2,037)</b>	<b>-</b>	<b>-</b>	<b>(2,037)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(994)</b>	<b>-</b>	<b>-</b>	<b>(994)</b>
Cash and cash equivalents at beginning of period	4,401	-	-	4,401
<b>CASH ASSETS AT THE END OF PERIOD</b>	<b>3,407</b>	<b>-</b>	<b>-</b>	<b>3,407</b>

(1) Equivalent AGAAP line item 'Employee costs' (AIFRS 'Employee benefits')

**WESTERN AUSTRALIAN TOURISM COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**Notes to the reconciliations**

**Note 40.1 Intangible assets (AASB 138)**

AASB 138 requires that software not integral to the operation of a computer must be disclosed as intangible assets. Intangible assets must be disclosed on the face of the balance sheet. All software has previously been classified as property, plant and equipment (Software and website development).

**40.1a Adjustments to opening Balance Sheet (1 July 2004)**

The WATC has transferred \$1,056,000 in software from property, plant and equipment to intangible assets.

**40.1b Adjustments to 30 June 2005 Balance Sheet**

The WATC has transferred \$672,000 in software from property, plant and equipment to intangible assets.

**Note 40.2 Employee benefits (AASB 119 and AASB 101)**

AASB 101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least twelve months beyond the reporting date. Consequently, all annual leave and long service leave entitlements (unconditional long service leave) must now be classified as current. Non-vested long service leave liability will be non-current to the extent that it does not become unconditional within 12 months from reporting date. Employment on-costs are not included in employee benefits under AGAAP or AIFRS. However, under AGAAP employee benefits and on-costs are disclosed together on the face of the Income Statement as Employee costs. Under AIFRS, employee benefits will be the equivalent item disclosed on the face. On-costs are transferred to other expenses.

**40.2 (a) Adjustments to opening Balance Sheet (1 July 2004)**

All unconditional long service leave previously reported as non-current liability has been reclassified to current liability (\$252,000).

All annual leave previously reported as non-current liability has been reclassified to current liability (\$370,000).

The non-current portion of the annual leave liability includes a discount of cash flows to their present values which was not included under AGAAP. Non-current provisions was reduced by \$19,000 with a corresponding increase in accumulated surplus.

**40.2(b) Adjustments to 30 June 2005 Balance Sheet**

All unconditional long service leave previously reported as non-current liability has been reclassified to current liability (\$244,000).

The non-current portion of the annual leave liability includes a discount of cash flows to their present values which was not included under AGAAP. Non-current provisions was reduced by \$12,000 with a corresponding increase in accumulated surplus.

**40.2(c) Adjustments to the Income Statement for the period ended 30 June 2005**

Employment on-costs expense has been reclassified from employee benefits expense to other expense (\$562,000).

The employee benefits expense has been decreased by \$12,000 to incorporate a change in annual leave liability to include a discount of cash flows to their present values which was not included under AGAAP. Non-current provisions was reduced by \$12,000.

**40.2(d) Adjustments to the Cash Flow Statement for the period ended 30 June 2005**

Employment on-costs payments have been reclassified from employee benefits payments to other payments (\$524,000).

**Note 40.3 Prepayments (AASB 101.75 (b))**

Prepayments may be disclosed separately where the total is material.

**WESTERN AUSTRALIAN TOURISM COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**40.3(a) Adjustments to opening Balance Sheet (1 July 2004)**

Other current assets were reduced by \$1,420,000 with a corresponding increase in prepayments.

**40.3(b) Adjustments to 30 June 2005 Balance Sheet**

Other current assets was reduced by \$1,835,000 with a corresponding increase in prepayments.

**Note 40.4 Net gain on disposal of non-current assets (AASB 116)**

Under AGAAP, the disposal of non-current assets is disclosed on the gross basis. That is, the proceeds of disposal are revenue and the carrying amounts of assets disposed of are expense. The disposal of non-current assets is disclosed on the net basis (gains or losses) under AIFRS.

**Adjustments to the Income Statement for the period ended 30 June 2005**

The carrying amounts of assets disposed of was previously recognised as expense. This has been derecognised (\$41,000).

The proceeds of disposal of non-current assets was previously recognised as income. This has been derecognised (\$9,000).

A loss on the disposal of non-current assets of \$32,000 has been recognised as expense.

**41. Adjustments of prior period errors**

The 2004-2005 comparative amounts under the headings Other expenses and Other revenue have both been reduced by \$3.821 million. In previous years, the free of charge airfares provided by airlines in support of Tourism WA's familiarization program were recognized as revenue and expenditure irrespective as to whether Tourism WA organized or booked the airfares. These transactions fail to meet the criteria for revenue recognition under AIFRS.

In 2004-2005 the Non current provisions for employee expenses was understated due to incorrect data being provided for actuarial assessment. The understatement is estimated to be \$301,000.

**42. Events occurring after balance sheet date**

The Income Statement and the Balance Sheet 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.

**43. 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 2005-06.

## Appendices

### ***Evaluation of Programs***

(Public Sector Management Act 1994 S7(e); Premier's Circular 2003/16: Agency Strategic Management)

In 2004, Tourism WA commenced a review of the efficiency and effectiveness of the Western Australia Visitor Centre (WAVC). This exercise resulted in the introduction of a new business model which saw the tourism retail company 'Best of Western Australia' take over the retail aspects of the WAVC operations. This change enables visitor centre staff to more effectively interact with customers and provide a high standard of service while Best of Western Australia's specialist tourism retail experience ensures a high quality sales and bookings service. Best of Western Australia won a competitive bid for the contract and has extensive experience in this role, operating a similar successful contract with the Melbourne Visitor Centre. The new business model is in its early stages and has been very well accepted by industry as well as the travelling public.

Rally Australia has been held in Western Australia since 1987. It is part of the World Rally Championships (WRC) which is controlled by the Federation Internationale de l'Automobile (FIA). Tourism WA, through its events division EventsCorp, manages Rally Australia. This is the only event on the EventsCorp major events calendar that is managed by EventsCorp; all others are on a sponsorship only basis.

In 2005 it was determined that there was no longer a business case to continue holding Rally Australia and the significant funding for the event should be refocused towards other events and marketing. The costs of staging the event have increased from \$2.1 million in 1999 to \$5.9 million in 2004, however the economic returns to the State from the event have not kept pace with the rising costs. The 2004 event had a return on investment of 1.60 to 1, well below other major events held in the State.

Following the March 2005 announcement that Tourism WA did not intend to stage Rally Australia in the future, the necessity of having the Rally Australia Board was reviewed in mid 2005 and the decision was taken to temporarily suspend the Rally Australia Board. The suspension is still in effect.

The Tourism WA Board and Executive endorsed an exit strategy for Rally Australia during 2005 and will continue to work with Contract and Management Services to ensure all contractual obligations are met.

### ***Disability Service Plan Outcomes***

#### ***Disability Services, Cultural Diversity and Language Services***

Although Tourism WA 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, Tourism WA has achieved the following:

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

Tourism WA undertakes disability service planning as part of its 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 Tourism WA.

Tourism WA's recently relocated head office was designed to take into account needs of people with disabilities. Features include conversing elevators which advise occupants of floor numbers and an additional disabled facility was installed for the use of visitors or staff as required.

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

A complete fit out was done of the new Tourism WA floors and a disabled toilet facility was custom built on the 8<sup>th</sup> floor, as the only other facility was in the basement of the building. ACROD was contacted when designing this facility to make sure all standards were met. The following facilities were already part of the building: the elevators are conversing and advise occupants of the floor numbers; a disabled parking bay is located at the side of the building for persons needing to park to access the building and availability of this bay is checked through the building manager.

Through the Visitor Servicing Study implementation, the Visitor Centre Premise Enhancements grants were available to level one accredited regional Visitor Centres for improvements to disability access and provision of disability friendly counters and seating where appropriate.

Tourism WA is the co-chair of the Accessible Tourism Reference Group which draws representatives from the disability sector.

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

Tourism WA's website encourages operators to denote their properties and tours as having facilities suitable for disabled people. Tourism WA staff actively encourage operators to provide details of these facilities on their website listings. This assists people with a disability, and their families, when planning holidays and/or travel to Western Australia.

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

The Western Australian Visitor Centre staff induction includes training in disability services. This helps staff provide appropriate advice and assistance to people with disabilities.

All front line staff at the Western Australian Visitor Centre completed training using the materials provided by the Disabilities Services Commission, specifically dealing with people with disabilities.

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

Tourism WA's website provides a variety of feedback mechanisms for people with disabilities to lodge grievances; and generally make comment on tourism related matters.

Tourism WA, in conjunction with the Disability Services Commission, co-chairs the Accessible Tourism Reference Group which provides an opportunity for the disability sector to participate in, and advise Government, on ensuring the disabled have access to tourism opportunities.

**Waste Paper Recycling**

(Cabinet Minute 2.7 of October 1991 on Government Waste Paper Recycling Proposal to Improve Recovery Rates).

**Recycling Initiatives**

Tourism Western Australia has incorporated the following recycling initiatives into the premises at 2 Mill Street:-

- Recycled paper for use in printers/copiers/faxes is purchased through the Government's Common Use Contract – Corporate Express.
- Printer toners are recycled by 'Empty Toners Are Us' for \$5.00 per cartridge.
- All cartridges and toners from the DCC 400 copiers are stored in a Fuji Xerox recycle bin and collected when full.
- Recycle bins are on each floor for milk cartons, bottles, glass and metals.
- Paper recycling bins are located next to printers/copiers on the three levels occupied by Tourism Western Australia.

**Energy Smart Government Policy**

(Premier's Circular No. 2004/10)

In accordance with the Energy Smart Government Policy, a reduction of 10% was required to be made in 2005-2006, reducing Tourism WA's energy consumption to 1,432,673 MJ.

Tourism WA's actual energy consumption for 2005-2006 was 1,462,036 MJ at a cost of \$72,570.

Over the past three years, Tourism WA staff numbers have increased to cover additional major projects. A growth in staff should have seen a growth in energy consumption, however since relocating to the new premises, Tourism WA has decreased energy consumption by 7.2% compared to the baseline (2001 - 02) year. Tourism WA's energy performance benchmarked against the new office for 2004 - 2005 shows an 11% decrease.

During the fit out process and during the last 12 months, Tourism WA has incorporated the following energy saving and recycling initiatives into the new premises:

- Non-repayable Facilitation Grant applied for services of a consultant to review the fit out plans and make recommendations to improve office efficiency.
- Incorporated into the tenancy fit out – lighting circuit arrangements and lighting controls; movement sensors to control lighting; energy controllers; mimic panels adjacent to light switch panels and a digital control system for lighting control.
- Where possible, energy efficient whitegoods and AAA water rated toilets and shower utilities are purchased.
- Information technology continues to introduce shut down scripts and power save/sleep modes on all PC equipment.
- Tourism WA continues its monitor replacement program to LCD flat screen monitors.
- Document production centres, ie photocopiers, are energy efficient with a power save mode.
- All equipment purchases include energy efficiency requirements.
- Air conditioning to meeting rooms is on separate controls, saving on energy consumption after hours.

- Staff have been advised to use window blinds to minimise heat entering through windows, thereby reducing air conditioning consumption.

### *Motor Vehicle Fleet Management*

In accordance with Government policy, Tourism WA has implemented a policy of replacing its fleet of vehicles with 4 cylinders or gas fuelled 6 cylinder vehicles unless a business case can justify otherwise.

### **Freedom of Information**

(Freedom of Information Act 1992, S96-97)

The Freedom of Information Act 1992 places a requirement on government agencies to maintain an information statement about the agency. A copy of the Information Statement is available for download at [www.westernaustralia.com](http://www.westernaustralia.com) For more information on the Freedom of Information application process at Tourism Western Australia, please contact the Information Manager. For general information, please refer to the Office of the Information Commissioner

Contact : Information Manager  
 Tel: (08) 9262 1700  
 Email: [foi@westernaustralia.com](mailto:foi@westernaustralia.com)  
 Fax: (08) 9262 1702  
 Address: 2 Mill Street Perth  
 Postal Address: GPO X2261 Perth 6847

During 2005-2006 Tourism WA satisfied all requirements under the Freedom of Information Act 1992 for access to documents not publicly available. The following schedule summarises the Freedom of Information applications for the year ended 30 June 2006:

	Number
Carried forward 30 June 2005	0
New valid applications received year ended 30 June 2006	2
Total number of applications to process	2

### *Activity Summary Year Ended 30 June 2006*

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

### **Record Keeping Plans**

(State Records Act 2000, section 61, & State Records Commission Standards, Standard 2, Principle 6)

Information Management Support provides a range of records and document management services to all divisions of Tourism WA. The State Records Act 2000 places a requirement on government agencies to have an approved records management strategy. Tourism WA's commitment to improving recordkeeping practices is reflected in the recordkeeping plan. The

Tourism WA Record Keeping Plan was sent to the State Records Office and shows commitment and progress towards compliance with the minimum requirements of Standard 2 of the Act. Full approval of the Record Keeping Plan is expected with the adoption of a Retention and Disposal Plan in September 2006.

The Record Keeping Plan has identified areas for improvement in Tourism WA's current management of information and it has embarked upon an improvement strategy that will see Tourism WA reaching full compliance by December 2007.

Information Management Support conducts recordkeeping training and induction programs to ensure employees are informed about recordkeeping responsibilities and standards. Training is provided to either individuals or to groups where the organisation has acquired new functional responsibilities, or is introducing new document management processes.

### **Advertising and Sponsorship**

(Electoral Act 1907, S175ZE)

As required by Section 175ZE of the Electoral Act 1907, the Commission reports that it has incurred expenditure during the financial year ended 30 June 2005 on the following:

	\$
<b>(a) Advertising Agencies</b>	<b>652,314</b>
<b>(b) Market Research Organisations</b>	<b>360,496</b>
<b>(c) Polling Organisations</b>	<b>0</b>
<b>(d) Direct Mail Organisations</b>	<b>106,769</b>
<b>(e) Media Advertising Organisations</b>	<b>3,241,211</b>
	<b><u>4,360,790</u></b>

<b>(a) Advertising Agencies</b>	
M Media Group Pty Ltd	330,000
Compac Marketing	172,302
Zed Media Limited	56,802
Marketforce Productions	72,268
Media Decisions WA	11,183
Media Com	5197
Jaz Creative	4232
Bac Productions	330
	<b><u>652,314</u></b>

<b>(b) Market Research Organisations</b>	
Patterson Market Research	186,753
CRC For Sustainable Tourism Pty Ltd	85,525
Nielsen//Netratings	31,350
Market Equity Pty Ltd	26,763
Roy Morgan Research Pty Ltd	19,756
Intrepid Australia Pty Ltd	7999
Australian Bureau of Statistics	2350
	<b><u>360,496</u></b>

<b>(c) Polling Organisations</b>	<b>0</b>
----------------------------------	----------

**(d) Direct Mail Organisations**

Market United Pty Ltd	101,819
Impact Publications	4950
	<b>106,769</b>

**(e) Media Advertising Organisations**

Media Decisions	1,612,909
Marketforce Pty Ltd	1,189,205
The Ten Group Limited	297,550
Mediacorp Publishing Pte Ltd	85,460
Australia Travel Publishing	33,000
Traveltalk Asia Pacific	13,354
Countrywide Publications	4900
Rural Press Regional Media	2607
The Kimberley Echo	1540
Business News	686
	<b>3,241,211</b>

***Sustainability***

(Premier's Circular 2004/14: Sustainability Code of Practice for Government Agencies)  
Commitment 1.2 of the Sustainability Code of Proactive for Government Agencies and Resource Guide for Implementation requires agencies to report on compliance with the Code and other sustainability achievements in annual reports, consistent with the Annual Report Framework.

Tourism WA staff assisted in preparing the first ever assessment of the impacts of tourism on the environment, as part of the draft State of the Environment report, 2006. A committee, assisted by the Department of the Environment, worked over eight months to identify data that would help create a picture of how tourism and the environment interact, including finding indicators that would demonstrate the environmental performance of the tourism sector. The importance of a sustainable environment to the tourism industry was demonstrated clearly, while in general, the environmental impacts of tourism appeared quite low. Current responses to help achieve sustainability were also identified, and included a focus on nature based tourism, regional planning and management, conservation reserves, accreditation and best practice, ecotourism ventures, and research.

***Corruption Prevention***

(Premier's Circular 2005/02: Corruption Prevention)

Tourism WA has in place the following measures designed to reduce corruption and misconduct:

- Policies on Suspected Official Corruption, Gifts and Benefits and Conflict of Interest, have been developed and are available to all staff on the agency intranet.
- Staff responsibilities are outlined in an induction package given to all new staff.
- A register is maintained of all gifts received by staff above a nominal amount.

***Risk Management Framework***

An agency risk management framework, with assessment tools, was developed and endorsed by the Board. This framework was applied to the risks of agency corruption during the 2005 - 2006 financial year, with the expectation that Risk Action Plans will be written and actioned for all major risk areas in the future.

**Ministerial Reporting**

Tourism WA responded promptly to 1010 Ministerial requests and 75 Parliamentary Questions (containing 411 questions in all) asked during 2005-2006. Tourism WA also provided 1221 briefing notes, speeches and draft media releases relevant to operational objectives, investment or financing activities.

**Public Interest Disclosures**

In accordance with Section 23(f) of the Public Interest Disclosures Act 2003, I report that I have complied with my obligations under the Act.

Specifically, I have appointed the holder of the position of Manager Human Resources, to be the Public Interest Disclosure (PID) Officer for Tourism Western Australia. Information to facilitate the lodging of public interest disclosures is published on Tourism WA's website and in June 2006, the Manager Human Resources attended a workshop, facilitated by the Office of the Public Sector Standards Commissioner, to introduce PID Officers to new communication tools and strategies that can be used to raise awareness of the Public Interest Disclosure Act within public authorities.

Activity Summary Year Ended 30 June 2006

	Number
Received	nil



**Richard Muirhead**  
CHIEF EXECUTIVE OFFICER

## ***Publications***

Tourism Western Australia produced a range of publications. Copies of publications are available by contacting Tourism Western Australia or by visiting [westernaustralia.com](http://westernaustralia.com)

<b>Publication</b>	<b>Price</b>
Annual Report 2004-2005	Free
Assessment of the Economic Value of Heritage Tourism in Three Western Australia locations	Free
Brand WA Guidelines	Free
Designing Tourism Naturally \$35.00 for hard copy	Free to download
Destination Development Strategies (5 regions and State)	Free
Domestic Visitor Review 2005	Free
Economic Contribution of Tourism to the State of WA: A tourism satellite account based analysis (fact sheet and/or full report available)	Free
Guidelines for Tourism Signs — a set of guidelines for sign-posting tourist attractions and visitor-service facilities	Free
Heritage and Tourism Themes for Western Australia	Free
Information Statement (FOI Act requirement)	Free
In Touch Newsletter	Free
Innovations Newsletter	Free
International Visitor Review 2005	Free
Journey Further; An Arts & Cultural Tourism Strategy	Free
Keeping It Real – A Nature Based Tourism Strategy for Western Australia	Free
Latest Domestic Findings (latest quarterly data)	Free
Latest International Findings (latest quarterly data)	Free
Local Government Area (LGA) Research Fact Sheets 2005 – (26 localities)	Free
Marketing Plan 2005 - 2008	Free
Online Industry Marketing Calendar	Free
Quickstart Guide to a Tourism Business	Free
Regional Development Commission (RDC) Research Fact Sheets 2005 (11 RDC regions)	Free
Regional Perspectives 2005 (5 tourism regions)	Free
See it. Do it. 2005 & 2006 Calendar	Free
See it. Do it. Fact Sheets	Free
Strategic Plan 2005 – 2010	Free
Strategic Plan 2005 – 2010 Summary	Free
Tourism Advantage: Education Resource Kit	\$30.00
Tourism Accommodation Development Register	Free
Tourism Infrastructure and Product Development Plans 2004-2013	Free
Understanding WA Visitor Information Needs	Free

Visitor Servicing Study	Free
Wildflower Holiday Guide	Free

### ***Research and Development Summary***

The Commission undertakes a variety of research and development projects.

<b>Research and Development Activity</b>	<b>Status</b>
Australian Tourism Data Warehouse (ATDW)	Ongoing
Investor Satisfaction and Perceptions Research	Ongoing
International Contact Management System	Ongoing
Better Business Blitzes	Ongoing
Website Evaluation and Redevelopment	Ongoing
WA Campaign Evaluation Research in Interstate, NZ and UK	Ongoing
WA State Tourism Satellite Account 2003	Ongoing
Kimberley Coastal Waterways Research Study	Ongoing
Caravan Industry Research Study	Ongoing
Hotel Business Continuity Planning (non smoking legislation initiative)	Ongoing
Sustainable Tourism Cooperative Research Centre Marine Sanctuary Zone Research	Ongoing
Wildflower Holiday Guide	Completed
Regional Tourism Review	Completed
Regional Tourism Brand Awareness Research	Completed
New Zealand Market Segmentation Study	Completed
UK Market Segmentation Study	Completed
Germany Market Segmentation Study	Completed
China Market Segmentation Study	Completed
Korea Market Segmentation Study	Completed
USA Market Segmentation Study	Completed
WA State-Wide Visitor Satisfaction Research	Completed
Awareness and Perceptions of WA's Iconic Holiday Experiences in Interstate and Japan markets	Completed
The Big Picture brochure (consumer motivational brochure produced in English, Korean, Japanese, Mandarin and German)	Completed
Whitlock Island Development Research	Completed



## How to contact Tourism Western Australia

### Perth

#### HEAD OFFICE

2 Mill Street, Perth, Western Australia 6000  
Tel: (08) 9262 1700 Fax: (08) 9262 1702 *Web site:* [westernaustralia.com](http://westernaustralia.com)  
e-mail: [info@westernaustralia.com](mailto:info@westernaustralia.com)

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: [TravelNews@westernaustralia.com](mailto:TravelNews@westernaustralia.com)

### Regional

#### KIMBERLEY

7 Ebony Street  
Kununurra, Western Australia 6743  
Tel: (08) 9168 3575, Fax: (08) 9168 1473  
Email: [kimberley@westernaustralia.com.au](mailto:kimberley@westernaustralia.com.au)

#### PILBARA

Lot 3,  
Anderson Road,  
Karratha Industrial Estate  
Karratha, Western Australia 6714  
Tel: (08) 9185 0188, Fax: (08) 9144 1118  
Email: [pilbara@westernaustralia.com](mailto:pilbara@westernaustralia.com)

#### GASCOYNE

15 Stuart Street,  
Carnarvon, Western Australia 6701  
Tel: (08) 9941 2406 Fax: (08) 9941 4713  
Email: [gascoyne@westernaustralia.com](mailto:gascoyne@westernaustralia.com)

#### MID WEST

SGIO Building, cnr Chapman Road and Cathedral Avenue,  
Geraldton, Western Australia 6530  
Tel: (08) 9921 0716 Fax: (08) 9921 0707  
Email: [midwest@westernaustralia.com](mailto:midwest@westernaustralia.com)

#### GOLDFIELDS/ESPERANCE

377 Hannan Street, Kalgoorlie, Western Australia 6430  
Tel: (08) 9021 0821 Fax: (08) 9091 7340  
Email: [goldfields@westernaustralia.com](mailto:goldfields@westernaustralia.com)

#### WHEATBELT

2 Mill Street  
Tel: (08) 9262 1700, Fax: (08) 9262 1944  
Perth Western Australia 6000  
Email: [heartlands@westernaustralia.com](mailto:heartlands@westernaustralia.com)

#### PEEL

Unit 11, 55 Mandurah Terrace,  
Mandurah, Western Australia 6210  
Tel: (08) 9535 6167 Fax: (08) 9535 4678  
Email: [peel@westernaustralia.com](mailto:peel@westernaustralia.com)

#### SOUTH WEST

10th Floor, Bunbury Tower,  
61 Victoria Street, Bunbury, Western Australia 6230  
Tel: 08 9791 9000 Fax: 08 9791 7077  
Email: [southwest@westernaustralia.com](mailto:southwest@westernaustralia.com)

#### GREAT SOUTHERN

Pymont House,  
110 Serpentine Road, Albany, Western Australia 6330  
Tel: (08) 9841 8599 Fax: (08) 9841 3319  
Email: [southern@westernaustralia.com](mailto:southern@westernaustralia.com)

#### EVENTSCORP – REGIONAL OFFICE

10<sup>th</sup> Floor, Bunbury Tower  
61 Victoria Street,  
Bunbury, Western Australia 6230  
Tel: (08) 9791 9400 Fax: (08) 9791 7077  
Email: [christ.tate@westernaustralia.com](mailto:christ.tate@westernaustralia.com)

## Interstate

NEW SOUTH WALES  
Tourism Western Australia  
Level 18, Tower 2, Darling Park  
201 Sussex Street  
SYDNEY NSW 2000  
Email: [ross.gregory@westernaustralia.com](mailto:ross.gregory@westernaustralia.com)

## International

JAPAN  
Tourism Western Australia  
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: [hideki.yoshizawa@westernaustralia.com](mailto:hideki.yoshizawa@westernaustralia.com)

SINGAPORE  
Tourism Western Australia  
101 Thomson Road  
United Square  
#08-2A  
Singapore 307591  
Tel: 0011 65 6255 4098  
Fax: 0015 65 6255 4093  
Email: [nancy.mah@westernaustralia.com](mailto:nancy.mah@westernaustralia.com)

UK/EUROPE  
Tourism Western Australia  
C/- Destination Australia Partnership  
6th Floor  
Australia Centre  
Strand  
London WC2B 4LG  
United Kingdom  
Tel: 0011 44 207 438 4647  
Fax: 0015 44 207 240 6690  
Email: [leonie.groves@westernaustralia.com](mailto:leonie.groves@westernaustralia.com)

GERMANY  
Tourism Western Australia  
C/- Destination Australia Partnership  
Sonnenstrasse 9  
80331 Munich  
Germany  
Tel: 0011 49 89 23 66 21 811  
Fax: 0015 89 23 66 21 99  
Email: [di.below@westernaustralia.com](mailto:di.below@westernaustralia.com)

CHINA  
Tourism Western Australia  
Shanghai Representative Office  
Room 2208  
CITIC Square  
1168 Nanjing Road West  
Shanghai  
China 200041  
Tel: 0011 86 21 5298 4547  
Fax: 0015 86 21 5292 5889  
Email: [allen.cheng@westernaustralia.com](mailto:allen.cheng@westernaustralia.com)

KOREA  
Tourism Western Australia  
C/- PROMAC Partnership  
Suite 717  
Yongbi Eocheon-ga Building  
75 Naesoo-dong  
Chongro-ku  
Seoul 110-070  
Korea  
Tel: 0011 82 2 6351 5156  
Fax: 0015 82 2 6230 9355  
Email: [ssohn@promackorea.com](mailto:ssohn@promackorea.com)

NEW ZEALAND  
Tourism Western Australia  
C/- Discover Pacific  
PO Box 112  
Greenhithe  
Auckland  
New Zealand  
Tel: 0011 64 9 413 9178  
Fax: 0015 64 9 413 9178  
Email: [karen.priest@westernaustralia.com](mailto:karen.priest@westernaustralia.com)