



ANNUAL REPORT

2012/13



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MESSAGE TO THE MINISTER

To The Honourable Liza Harvey MLA
Minister for Tourism

Dear Minister,

In accordance with Section 63 of the *Financial Management Act 2006*, it is my pleasure to submit for your information and presentation to Parliament the Annual Report of the Western Australian Tourism Commission (operating as Tourism Western Australia) for the year ended 30 June 2013.

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



Peter Prendiville

CHAIRMAN

WESTERN AUSTRALIAN TOURISM COMMISSION

13 September 2013

1.0 OVERVIEW

1.1 MESSAGE FROM THE CHAIRMAN

Tourism in Western Australia has had a solid year of performance, with growth in visitor numbers and visitor spending in both the national and international tourism markets for the year ending March 2013.

Whilst there has been a reduction in business travel – a reflection of the general economic climate and the change in many major resource projects in WA moving from construction to production phases – this has created an opportunity to increase leisure travel in areas, such as Perth's accommodation sector, that have been under pressure in recent years.

Our industry is an important one for Western Australia. Tourism currently generates \$7.5 billion in spending and is responsible for 89,000 jobs. Around \$3 billion of that spending goes to regional WA, injecting much-needed economic activity in our regional cities and towns.

The Tourism WA Board is determined that the organisation continues to deliver tangible results for the tourism industry. Our marketing campaigns are delivering consistent returns on investment and we have grown the number of events on our statewide events calendar.

In the last year I have met with many of our partners in the tourism industry. Together with fellow Board and executive team members, I have travelled throughout our regional areas to see our range of tourism product first hand and to hear what the challenges and opportunities are for tourism at a localised level.

I'm pleased to report that in December 2012, the Government launched the State Government Strategy for Tourism, which outlines how the State can aim to reach \$12 billion of tourism spend in WA by 2020. This strategy has been several years in development and undergone extensive consultation with industry and across Government – the result is a sound and clear path to work towards achieving our stretch target over the coming seven years.

We at Tourism WA are the champions of this strategy, however Government endorsement means that the whole of Government has a role to play in its delivery. We are a partnership organisation, and we look forward to working with the tourism industry to align activities wherever possible so that the strategy's outcomes can be achieved.

I would like to take this opportunity to acknowledge the former Minister for Tourism, the Hon Dr Kim Hames MLA, for his commitment to growing our industry and welcome the incoming Tourism Minister, the Hon Liza Harvey MLA.

I thank my fellow Board members - including outgoing member Jane McKeon – as well as the executive and staff of Tourism WA for their efforts over the last year.



Peter Prendiville
CHAIRMAN

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The importance of the tourism industry as an economic contributor to Western Australia continues to grow. In just two years, the value of tourism to the State has grown from \$6.3 billion in 2010 to \$7.5 billion in 2012.

Tourism WA is, in essence, an economic development agency. Our role is to ensure a sustainable and competitive tourism industry. To do this, we work in partnership with tourism businesses, industry bodies and other government departments. Our marketing campaigns and event sponsorships are designed to deliver a return on investment in tourism expenditure, and often provide important recreational and cultural benefits to Western Australians.

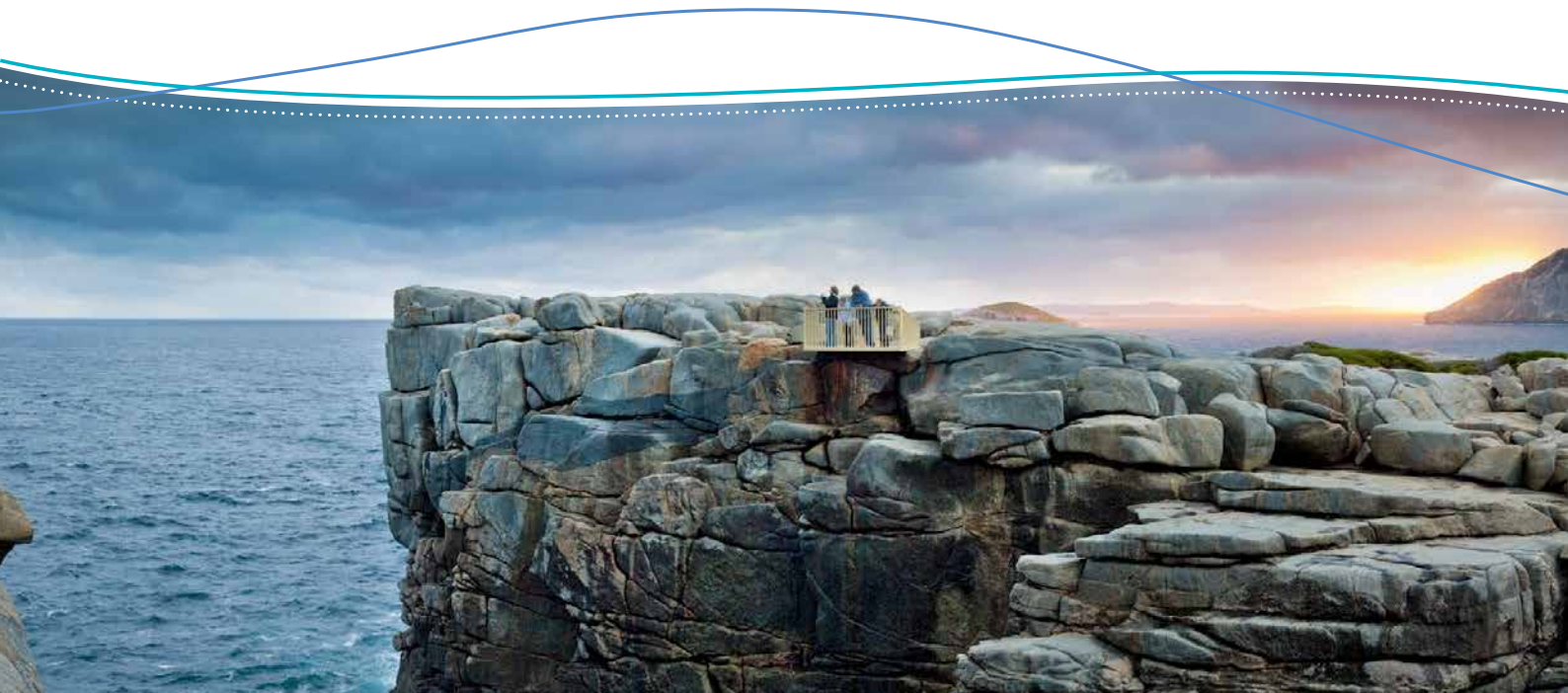
Over the last few years, we have established a unified marketing and events program, supported by increasing air access and cooperative marketing with industry. We have established new marketing agreements with several major airlines and trade partners to offer competitive travel opportunities for people wanting to visit our State.

The benefit of this approach can be seen in the domestic market, with 42 cooperative campaigns undertaken with 23 trade partners in the last year. These activities generated more than 70,000 visitors to WA, an estimated \$56 million of visitor spending and a return on investment of 41:1.

We launched 1001 Extraordinary Experiences - a tourism marketing campaign that showcased the best 1001 experiences travellers can have in WA, selected from more than 6,000 entries. The resulting images were made into a quick frame film and showcased through a dedicated website with information about each image and holiday deals. Some of the best images have been used in a consumer marketing campaign in Australia.

In the last year, we have brought several new major events to WA. In addition to the Margaret River Gourmet Escape, the inaugural ISPS Handa Perth International golf tournament was held at Lake Karrinyup Country Club and the BHP Billiton Aquatic Super Series was held in Perth, with a community program that included over 20 regional towns. Both events were several years in the planning and delivered increased visitation and media coverage for the State.

Our range of tourism infrastructure is growing, and over summer we were pleased to welcome the long-standing and successful Hyundai Hopman Cup into its new home, the Perth Arena. There were record-breaking crowds with more than 100,000 attendees, as well as significant media coverage with an estimated value of \$132 million.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER *CONTINUED.*

Encouraging the development of additional hotel rooms in Perth remains a priority. We have made significant progress on the incentivised hotel site at FESA House in central Perth, and we welcome the Crown Limited decision to add a further 500 rooms as part of the Crown Towers development. The Elizabeth Quay development provides the most prominent opportunity for hotel development in Perth - we believe it is one of the most unique property offerings in the Australian market - and we are working closely with the Metropolitan Redevelopment Authority to encourage the development of a high quality hotel in the precinct.

Tourism WA is committed to careful management of the Government's incentives policy to ensure that the market continues to be viable for existing operators and we will work closely with industry on our marketing and events programs to drive demand for existing and new hotel infrastructure.

The release of the State Government Strategy for Tourism means that we now have a strong and long-term framework on which to focus our business operations.

In the last year we have completed several steps in planning for future tourism growth to meet the strategy's goal of doubling the value of tourism in WA to \$12 billion by 2020. For example, we have worked in partnership with industry to develop a China Strategy to grow WA's share of the enormous Chinese outbound market. Whilst the opportunity is huge, there is fierce competition for the Chinese visitor market and WA must position itself as a 'must see' destination. Our focus is to target those visitors most likely to visit WA; work closely with travel agents, airlines and Tourism Australia; and assist the local industry to be 'China ready'.

I would like to acknowledge our many partners, across the tourism industry and government, for their contributions to Western Australian tourism in the last year, and thank the team at Tourism WA for their continued drive and enthusiasm.



Stephanie Buckland
CHIEF EXECUTIVE OFFICER



1.2 OPERATIONAL STRUCTURE

Enabling legislation

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

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

Responsible Minister

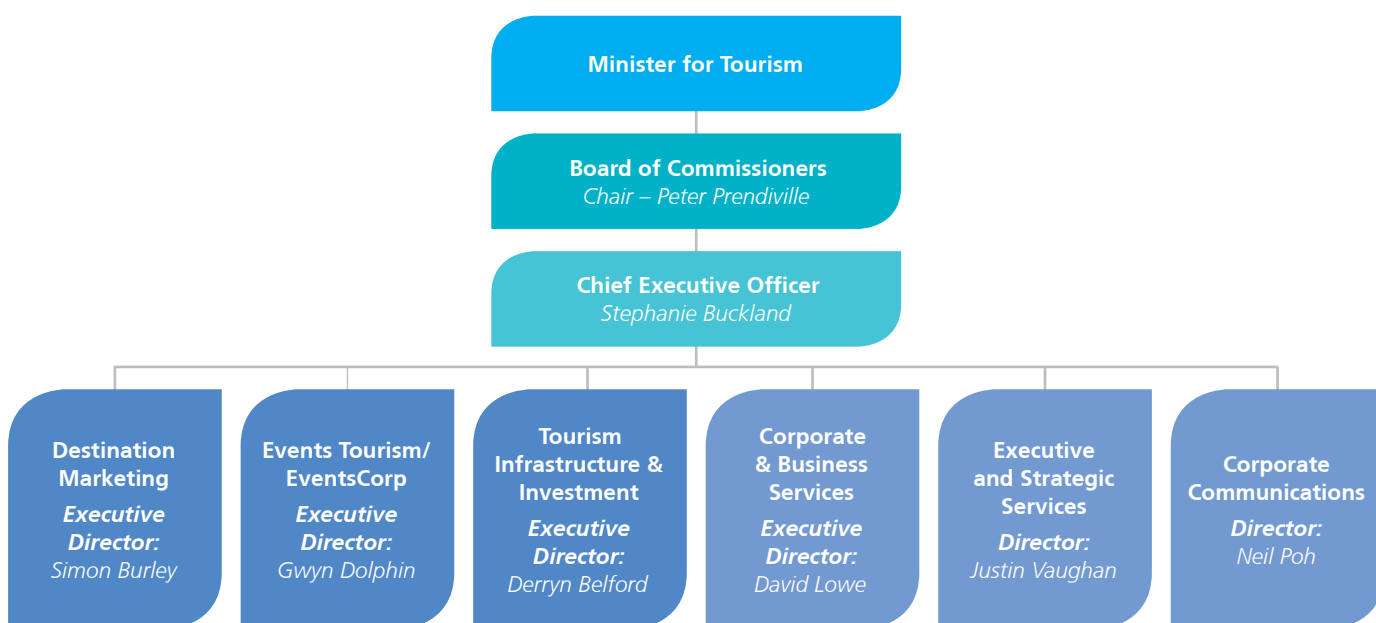
The Minister responsible for Tourism WA during 2012/13 was the Hon Dr Kim Hames MLA, Deputy Premier; Minister for Health; Tourism, with the Hon Liza Harvey MLA appointed as Minister after the reporting period in August 2013.

Our Vision

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

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

Organisational Chart



Administrative Legislation

Tourism WA administers the *Western Australian Tourism Commission Act 1983*.

Other Key Legislation

Key legislation impacting on our operations includes:

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

Board of Commissioners

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

Board Profiles

Peter Prendiville – Chairman

Peter Prendiville has been the owner and/or operator of over 40 hotels in a career spanning over 35 years. Mr Prendiville has opened various hotel properties such as the Esplanade Fremantle, Langley Hotel, Kalbarri Beach Resort and the Margaret River Hotel. He currently owns several hotels including Hotel Rottneest, Karratha International Hotel and the Tradewinds Hotel as well as Pier 21 Resort in Fremantle. Mr Prendiville is also the owner of the 1840-founded Sandalford Wines in the Swan Valley and Margaret River. Sandalford has won a number of State Tourism Awards in categories including Best Tourism Winery, Best Significant Tourist Attraction and Significant Festivals and Events as well as the Sir David Brand Award. He has been involved in Notre Dame University since its inception and in addition to being a Trustee and Director, he is also the Deputy Chancellor. He has been involved in the oil and gas industry and has sat on several public company boards. Mr Prendiville's term commenced 1 September 2011 and he became Chairman on 1 July 2012.

Howard Cearnas - Deputy Chairman

Howard Cearnas is an experienced brand marketer and entrepreneur. A career in marketing with Matilda Bay and Lion Nathan led to the founding of Little Creatures Brewery in Fremantle with friends, a business sold to Japan's Kirin Corporation in 2012. He founded and is Chairman of BrainCELLS Creative Marketing and Design, is a Director and shareholder of Swings and Roundabouts wines, the Stormflower Vineyard, and Hippocampus Memorable Drinks. Howard worked for Budget Rent a Car early in his career and gained significant sponsorship and event experience as Marketing Director of the Swan Brewery. He was made Lion Nathan's Group Innovation Director in 1996. Mr Cearnas' term commenced 1 July 2006 and he became Deputy Chairman on 1 July 2012.

Alistair (Al) Donald

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

Nathan Harding

Nathan Harding is the owner and Group Managing Director of Discover Australia Holidays. As one of Australia's largest inbound travel wholesalers, Discover Australia generates more than 150,000 visitors each year to Australia. Mr Harding has combined his technology, marketing and business skills to drive the family-owned company's success. Discover Australia operates Discover West Holidays and Skippers Holidays (on behalf of Skippers Airlines). Mr Harding has been a member of the Australian Tourism Export Council's (ATEC) national board since 2011. He has a degree in electrical engineering from University College, Cardiff and is a post graduate of marketing and applied finance and investment. Mr Harding's term commenced 1 July 2012.

Neville Poelina

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

Diane Smith-Gander

Diane Smith-Gander has more than 30 years experience in the business world. She is a director of Wesfarmers Limited, Transfield Services Limited, CBH Group companies and was deputy chairman of NBN Co Limited – the Australian Government entity responsible for broadbanding Australia. Ms Smith-Gander also works with McKinsey and Company advising on merger integration. She is a past chairperson of the Australian Sports Drug Agency (now ASADA) and also served on the Board of Basketball Australia for more than three years, including one as Chair, and helped steer the organisation through a change in governance structure. Ms Smith-Gander holds an MBA from the University of Sydney and a Bachelor of Economics from the University of Western Australia where she is an adjunct professor of Corporate Governance and serves on the advisory board of the Business School. Ms Smith-Gander's term commenced 1 July 2012.

Richard Vaughan

Richard Vaughan is a board member of PEAK Adventure Travel, the world's largest adventure travel company. Mr Vaughan has more than 50 years experience in the travel industry including with world class airlines Emirates, British Airways and Gulf Air. Until recently he held the position of Emirates Divisional Senior Vice President Commercial Operations, Worldwide. He was General Manager for the Concorde Group of Companies in Western Australia for 16 years and managed the group's various business units including Concorde International Travel, World Aviation Systems and several other local operations. Mr Vaughan's term commenced 1 July 2012.

Stephen Wicks

Stephen Wicks is the Chief Executive Officer for the Western Australian Turf Club, trading as Perth Racing. Perth Racing has a proud history of hosting thoroughbred racing events in the State for over 150 years, and runs the two magnificent riverside racecourses of Ascot and Belmont Park, both situated minutes from the city of Perth. Mr Wicks brings more than 16 years high-level experience in WA regional, Eastern States and international hotel and event operations, development and corporate travel management to the Board. While WA-born, he has held senior management roles in leading five star hotels in Sydney, Brisbane, Surfers Paradise, Hong Kong and Vietnam. Mr Wicks' experience includes involvement in the design, tender and management contract negotiations for projects in Perth, Mandurah and Port Hedland. In addition to his current role Mr Wicks instructs in the MBA (exec) program for the Australian Graduate School of Management. Mr Wicks is an adjunct professor with the University of Queensland's School of Tourism and holds an MBA (exec) from UNSW. Mr Wicks' term commenced 18 May 2010.

CHANGES TO THE BOARD OF COMMISSIONERS

During 2012/13 there was one change to the Board of Commissioners:

- Jane McKeon was a Commissioner from January 2011 until 1 January 2013.

We acknowledge Jane's contribution to Tourism WA and the tourism industry.

CORPORATE GOVERNANCE

Western Australian Tourism Commission Board Meetings and Attendance

Of the eight Board meetings and four teleconference meetings conducted this financial year, attendance was as follows:

	Meetings attended	Meetings eligible to attend
Peter Prendiville	12	12
Howard Cearn	12	12
Al Donald	12	12
Jane McKeon*	4	7
Neville Poelina	8	12
Stephen Wicks	11	12
Richard Vaughan	8	12
Diane Smith-Gander	11	12
Nathan Harding	12	12

* Jane McKeon's term finished in January 2013.

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 and the members are excluded from participating in Board business relating to these interests. In addition to this process, Board members declare other interests from time to time as matters arise.

Independent External Advice

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

Committees

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

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



Executive Management Team

The Chief Executive Officer, the four Executive Directors, the Director Executive and Strategic Services and the Director of Corporate Communications comprise the Executive Management Team.

Stephanie Buckland

Chief Executive Officer

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

Stephanie was the Executive Director Marketing at Tourism WA from March 2008 to December 2009, and was instrumental in the development of the Experience Extraordinary brand positioning, as well as the highly successful Extraordinary Taxi Ride campaign.

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

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

Gwyn Dolphin

Executive Director Eventscorp

Gwyn Dolphin joined Tourism WA in February 2012. He has an impressive background in marketing and events acquisition with previous experience as Group Marketing Director for Welsh Rugby Union (WRU) and Millennium Stadium (MS).

At WRU and MS, Gwyn was responsible for all commercial and marketing activities as well as securing international events such as international soccer, Rugby World Cup and major music concerts.

He previously managed Ford's €100 million sponsorship of the UEFA Champions League football, was a managing partner in the WPP Group, ran Vodafone's global sports, music and film sponsorship investments and, as an employee at Toyota, was a major part of the World Rally Championship-winning operation.

Simon Burley

Executive Director Marketing

Simon Burley joined Tourism WA in January 2012. He has extensive experience in marketing having been the global brand director for Beefeater and Plymouth Gin with Pernod Ricard in London. During his time at Pernod Ricard, Simon was responsible for the global marketing strategy for Pernod Ricard's gin portfolio, including brand positioning, marketing strategy and activation, and strategic planning with key distributors. Previously he was responsible for driving the Ballantine's golf sponsorship program throughout Asia, with key markets including Korea, China, Taiwan and Japan.

He has a Bachelor of Arts degree from Adelaide University and a Bachelor of Commerce from Flinders University of South Australia.

Derryn Belford

Executive Director Infrastructure and Investment

Derryn joined Tourism WA in 2008 from a 20 year career in research and strategy. Her industry experience encompasses local government, banking, retail, education and IT, as well as opinion polling during two general elections in the UK. She has held senior positions in consulting firms in London and Perth.

She has had a number of roles across the agency, including Market Research Manager and Director Executive & Strategic Services – in this latter role she was instrumental in the development of the State Government Strategy for Tourism, launched by the Premier in December 2012. She has also been seconded to the Department of the Premier and Cabinet to drive the development of a sustainable business plan for the ANZAC Interpretive Centre being built in Albany for the ANZAC Centenary.

As Executive Director Infrastructure and Investment Derryn's role is to lead the team responsible for the facilitation of strategic tourism infrastructure in Western Australia. Focus areas include attracting tourism investment, improving aviation access, increasing hotel and eco-accommodation development, developing the caravan and camping and the cruise sectors, and associated planning and policy issues.

Derryn has Bachelor of Science (Psychology) from the University of Western Australia, and a Master of Business Administration. She is a graduate and member of the Australian Institute of Company Directors, member and former Chairman of the Australian Marketing and Social Research Society in Western Australia, and is Chairman of her local Independent Public Primary School.

David Lowe

Executive Director Corporate and Business Services.

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

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

Neil Poh

Director Corporate Communications

Neil Poh joined Tourism WA in October 2010 after spending the previous six years working for WA Police, primarily as the Police Commissioner's Media Advisor.

Prior to that Neil worked as a journalist at Channel 7 Perth, Channel 9 Perth, ABC Radio in Perth, Kalgoorlie and Bunbury, after starting his career at the *Geraldton Telegraph*. Neil also worked in London for a year in 1994 as a writer/producer for international news agency WTN.

Justin Vaughan

Director Executive and Strategic Services

Justin Vaughan joined Tourism WA in September 2012 having spent a total of 8.5 years working in a range of positions at Tourism Northern Territory. His previous roles have included: Director Aviation; A/Executive Director Strategic Services and Board Secretary; and Manager Insights and Strategy. Justin also spent some time with Tourism Queensland as their Senior Aviation Analyst and later their Department Liaison Officer working between the Minister, the Department of Tourism Fair Trading and Wine Industry Development, Tourism Queensland, the tourism industry and members of the public.

Justin has a Masters degree from Deakin University and a Bachelor of Science degree from James Cook University.

Changes to the Executive Management Team

During 2012/13, there was the following change to the Executive Management Team:

- Rachel Telford held the position of Director Executive and Strategic Services until September 2012.

We acknowledge the significant contribution from Rachel to Tourism WA.



1.3 PERFORMANCE MANAGEMENT FRAMEWORK

1.3.1 OUTCOME BASED MANAGEMENT FRAMEWORK

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

Tourism WA works to meet the government goal of Financial and Economic Responsibility.

Government Goal	Desired Outcome	Services
<i>Financial and Economic Responsibility:</i> <ul style="list-style-type: none">Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity andreducing regulatory burdens on the private sector.	<ul style="list-style-type: none">Increased competitiveness andviability of the Western Australian tourism industry.	<ol style="list-style-type: none">1. Destination Marketing2. Event Tourism3. Tourism investment and Infrastructure

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

1.3.2 CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

Tourism WA's outcome based management framework did not change for 2012/13.

1.3.3 SHARED RESPONSIBILITIES WITH OTHER AGENCIES

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

The agency participates in a range of significant State and Commonwealth initiatives coordinated by other agencies, including the Kimberley Science and Conservation Strategy, the National Long-Term Tourism Strategy, Kimberley Regional Planning Committee and Gascoyne Regional Planning Committee.

Tourism WA's role in these and other cross-agency groups is to provide advice to maximise tourism outcomes and ensure that tourism is a major consideration in government policy, planning and development processes.

Tourism WA works closely with a range of Commonwealth and State government agencies including the Department of Resources, Energy and Tourism (Commonwealth), Tourism Australia (Commonwealth), Department of the Premier and Cabinet, Department of Regional Development, Department of Lands, Department of Parks and Wildlife, Department of Planning, LandCorp, Small Business Development Corporation, Regional Development Commissions and others to achieve cross-government coordination of tourism initiatives.

Tourism WA also contributed to cross-agency initiatives such as managing future staffing needs, promoting and managing equity and diversity, promoting ethical conduct and participating in corporate services reform.

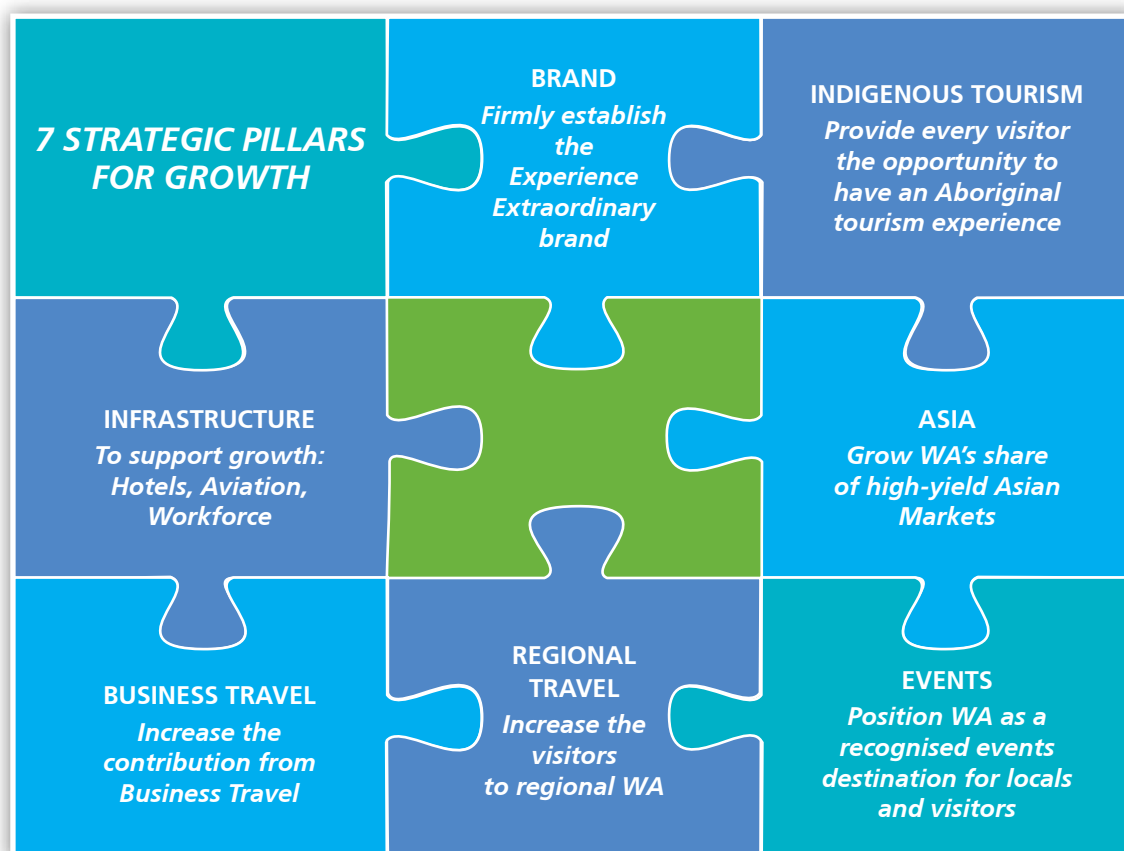
1.3.4 STATE GOVERNMENT STRATEGY FOR TOURISM IN WESTERN AUSTRALIA 2020

The *State Government Strategy for Tourism in Western Australia 2020* is a broad strategy for tourism in the State, with the goal to double the value of tourism in Western Australia from \$6 billion in 2010 to \$12 billion by 2020. Led by Tourism WA, the strategy implementation requires a partnership model that recognises the roles of government and industry to enable delivery of the strategy. The strategy was developed in close consultation with key government and industry stakeholders in order to meet the needs of the Western Australian tourism industry with a view to 2020. The strategy was released in December 2012.

To achieve the 2020 goal, seven strategic pillars have been identified. These have been determined by linking the critical issues facing tourism and the current strategies of Tourism WA, other government agencies (Federal, State and Local) and the broader tourism industry.

Tourism WA's activities in 2012/13 have been aligned to the strategy with efforts focused towards the goal of doubling the value of the tourism industry in the State. Tourism WA will oversee and report on the implementation of the strategy through the annual Corporate Plan, available on the Tourism WA corporate website.

Seven Strategic Pillars for Growth



2.0 AGENCY PERFORMANCE

2.1 REPORT ON OPERATIONS

DESTINATION MARKETING

Tourism WA's marketing role is to accelerate the growth in the economic value of tourism throughout Western Australia. Key functions are to:

- develop and implement marketing and communication strategies to build awareness and desire to visit Western Australia
- increase visitation, yield and dispersal from target markets
- provide meaningful and actionable research to guide strategies and actions of the Western Australian tourism industry
- communicate effectively with industry, government and the people of Western Australia.

Major achievements 2012/13

International marketing campaigns

- *Welcomed the announcement of Qatar's Perth – Doha service* (beginning July 2013) which will improve connectivity between Perth and London, Manchester, Frankfurt, Munich and Berlin. Established a two-year cooperative marketing agreement with Qatar Airways to drive increased visitors from Germany and the UK.
- *During 2012/13, four WA campaigns were conducted in the UK with Travelbag, Flight Centre UK, Thomas Cook and Austravel.* Collectively, these campaigns generated an estimated \$6.053 million in visitor spending and a return on investment of 47:1.
- *Developed the China Strategy 2012-2015*, which identifies opportunities for WA to increase its share of Chinese visitors to 100,000 by 2020. The strategy targets consumer marketing, trade, aviation and industry development as well as strategic partnerships and is being implemented under the guidance of a steering group that includes members from WA's tourism industry.
- *Undertook a \$4 million marketing partnership with Tourism Australia and China Southern Airlines*, including trade marketing and training, plus a major advertising campaign across Beijing, Guangzhou, Shanghai and Shenzhen which assisted in increasing the patronage of China Southern's direct services between Guangzhou and Perth.
- *Partnered with 16 key travel agents in China on cooperative marketing campaigns between February and June 2013*, to advertise packages of Western Australia's most iconic destinations. The aim of the campaign was to increase the awareness of WA's top travel products in China and stimulate bookings. The campaign generated an estimated \$4.8 million in visitor spending and a return on investment of 9:1.
- *Launched a major trade and consumer marketing program in Singapore using the Margaret River Gourmet Escape to position WA as a food and wine lover's paradise.* The campaign included attendance at Singapore's major holiday and travel show in August 2012 and a consumer campaign, in partnership with Singapore Airlines and Dynasty Travel Singapore. This resulted in Margaret River Gourmet Escape features appearing in Singapore's leading daily *The Straits Times* as well as *Epicure*, *Appetite* and *Gourmet and Travel* magazines.
- *Undertook a cooperative marketing campaign in Malaysia with Singapore Airlines and four travel agents that featured a special airfare and accommodation deals in Perth and the South West.* The campaign generated an estimated \$1.089 million in visitor spending and a return on investment of 16:1.

- *Partnered with Tourism Australia and five other state and territories on the 'Best Jobs in the World' marketing campaign.* More than 90,000 people entered the race to become Western Australia's Taste Master, with British singer-songwriter Rich Kream winning the role. Rich is serving as a WA ambassador, spending six months sampling the State's finest local produce and enjoying the best bars, restaurants, wineries, micro-breweries and promoting his experiences via social media.

Domestic marketing campaigns

- *Developed and launched 1001 Extraordinary Experiences* - a marketing campaign showcasing the best 1001 experiences travellers can have in WA. This campaign drew almost 6,000 entries from people in 27 countries, with the best 1001 experiences made into a quick frame film and housed on a dedicated website (westernaustralia.com/1001) with information about each image, and a map and holiday deals within the region. A digital and outdoor advertising campaign using some of the best 1001 Extraordinary Experiences began in June in Sydney, Melbourne and Perth, and generated over 75,000 unique visitors to the website in the two months following the campaign.
- *Developed and launched an advertising campaign to reposition Perth to prospective visitors in Sydney and Melbourne through cinema, social media and digital advertising;* with TV advertising coinciding with the Hyundai Hopman Cup and ISPS Handa Perth International golf tournament.
- *Developed 42 cooperative marketing campaigns with 23 trade distributors in the domestic market.* These campaigns were developed in conjunction with airlines, wholesalers, online travel agents and retailers such as Jetstar, Qantas, Discover Australia Holidays, Broome and The Kimberley Holidays, Qantas Holidays and Flight Centre. Tourism WA's total investment in these campaigns was \$1.6 million with trade partners investing \$2.3 million. Collectively, the campaigns attracted 70,000 visitors to WA spending an estimated \$56 million and generating a return of \$41 for every \$1 invested by Tourism WA.
- *Promoted Broome with a comprehensive marketing campaign developed in partnership with Australia's North West, and a range of local operators.* Tourism WA worked with six travel partners to promote packages during October to March. The campaign also included a special advertising feature with the Fairfax Group, a broadcast visit from top rating television program My Kitchen Rules and a familiarisation tour for 40 east coast travel agents.
- *Supported the Kimberley Science and Conservation Strategy* through cooperative marketing and brand advertising for the Kimberley Aerial Highway.
- *Delivered the annual wildflower campaign with a refreshed and more contemporary brochure* with updated maps and content, supported by media, PR and advertising. Distribution of the brochure occurs in the domestic market to trade suppliers and visitor centres; and some international markets.



Partnerships

- *Provided \$375,000 in additional funding to the Regional Tourism Organisations (RTOs) via the Royalties for Regions Regional Tourism Marketing Program.* These funds enabled each RTO to deliver additional cooperative marketing programs, including a self-drive campaign with Apollo Motorhome Holidays, a series of special features in *The West Australian* promoting the North West, and campaigns with Quickbeds, Travel.com, and Wotif.com, all of which assisted the RTOs in generating business for their members.
- *The Perth Convention Bureau (PCB) is contracted by Tourism WA to accelerate the growth of conventions, corporate meetings, exhibitions and incentive travel groups (business events).* In 2012/13, PCB received funding of \$3.51 million from Tourism WA, the first year of a new four-year agreement. In 2012/13, PCB secured 107 national and international conferences and 77 corporate and incentive travel events, representing 48,265 delegates worth an estimated \$104.7 million in direct delegate expenditure.
- *Provided funding support for the Western Australian Indigenous Tourism Operators Committee (WAITOC) to promote indigenous tourism and facilitate indigenous product development.* WAITOC is leading the implementation of the Aboriginal Tourism Strategy for Western Australia and has undertaken a range of marketing and product development initiatives including support for 20 Aboriginal tourism businesses in Perth to get involved in the business event, education and cruise markets.

Public relations

- *Supported the production of five MasterChef episodes in WA with additional online content.* The episodes, which aired nationally on Channel Ten in June and early July, were filmed in Fremantle, York, Cottesloe Beach, Crown Perth and The Greenhouse restaurant and reached almost one million viewers nationally (per episode) with an estimated advertising value (EAV) of \$15 million.
- *Secured the filming of My Kitchen Rules in Broome, Margaret River and Perth with additional online content.* Three episodes aired nationally on Channel Seven during April, reaching 1.5 to two million viewers each night and delivering an EAV of more than \$18 million.
- *Developed a highly successful radio promotion through Nova's national drive program in Sydney, Melbourne and Brisbane called the 'Passport to Western Australia'* that promoted three key events in three destinations (Shinju Matsuri in Broome, Gourmet Escape in Margaret River and the Perth International Arts Festival). More than 2,000 people entered to win a trip to WA and the promotion was submitted by Nova for the National Radio Awards. The promotion was worth \$220,000 in broadcast exposure, with high levels of online engagement (4 minutes and 15 seconds on average, due to the engaging content created).



- *Continued Tourism WA's ambassador program with the stars of the movie [Son of a Gun](#) (Ewan McGregor, Brenton Thwaites and Alicia Vikander) travelling throughout WA in March/April during their time off the film set.* Their experiences were promoted through their social networking sites, in particular Ewan McGregor has 500,000 followers on Twitter and 130,000 followers on Instagram. Sir Bob Geldof's visit to the Kimberley was also supported, including a visit to the Bungle Bungle Range, the Ord Valley Muster and Margaret River, which resulted in significant press and online coverage in Australia and internationally.
- *Secured the Australian premiere of the movie [Drift at Caves House in Yallingup during the Margaret River Pro.](#)* A domestic media familiarisation tour was held in support of the release, including digital influencers from Tourism Australia and Instagram, and a behind-the-scenes documentary has been funded by Tourism WA to be used to coincide with the film's international/DVD release.

Digital marketing

- *Grew the Tourism WA Facebook community to over [180,000 likers](#).* The page was launched in December 2010 from a zero base and has grown steadily with targeted media and engaging content. Tourism WA has consistently achieved an engagement rate well above the industry average and ranks in the top three for engagement amongst other State Tourism Organisations.
- *Upgraded Tourism WA's smartphone app, [Experience WA](#), with a new search feature to make it easier for users to browse the [8,000 product listings](#).* A new winery feed has also been added, listing wineries from Wines of Western Australia, the peak industry body for Western Australian wine production. Since being launched in late 2011, the Experience WA app has been downloaded just under 60,000 times. Other improvements include enabling users of the application to share content on social media and to receive notifications of upcoming events. Work also commenced on designing and developing a tablet version of the application.
- *Drove a major social media campaign on Facebook profiling [Ningaloo's whaleshark experience in conjunction with Ecocean, a marine conservation group](#).* Posts on Tourism WA's Facebook wall were received from 842,240 users.
- *Drove new content around the [Drug Aware Margaret River Pro surfing event](#), profiling the event on the popular photo social channel, [Instagram](#).* Overall 654 photos were uploaded by users with the campaign hashtag which generated 1.2 million impressions, 75,000 likes and 1,700 comments.
- *Commenced work on the redevelopment of [westernaustralia.com](#), Tourism WA's consumer website.* This project includes a new design, strategic changes to information architecture and will result in a site that is mobile friendly. Consumer research was undertaken to support the decision-making on this project and industry's input has also been sought through working groups and a survey.



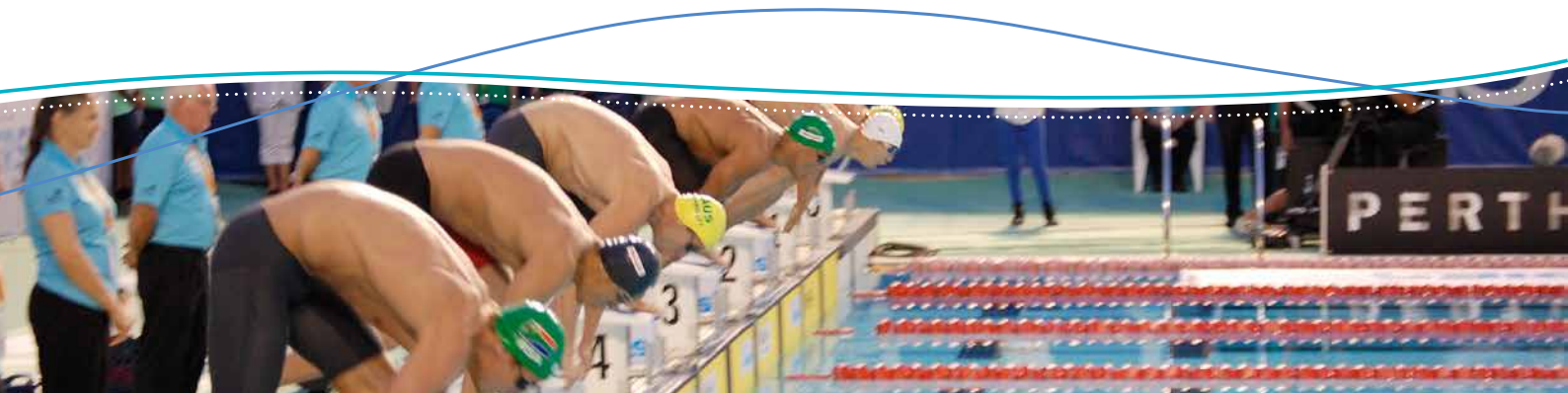
We upgraded Tourism WA's smartphone app, *Experience WA*, with a new search feature to make it easier for users to browse the 8,000 product listings.

EVENT TOURISM

Tourism WA's objective is to develop, sponsor and promote a diverse calendar of events that showcases Western Australia as a great place to live, work and visit. Events maximise our competitive advantages and trigger awareness of Western Australia as a holiday destination, and stimulate bookings. The combination of showcasing Western Australia and the delivery of visitors and attendees at events will position Western Australia as a recognised event destination for locals and visitors, creating vibrancy and a significant uplift in visitor demand.

Major achievements 2012/13

- *Supported almost 100 sporting, cultural, arts and culinary events throughout the State*, including three new major events, the BHP Billiton Aquatic Super Series, the ISPS Handa Perth International golf tournament and the Margaret River Gourmet Escape.
- *Oversaw the inaugural ISPS Handa Perth International golf event*, the only golf tournament in Australia to be sanctioned by the European Tour. American Bo Van Pelt won the inaugural event, which was held at Lake Karrinyup Country Club in front of a crowd of 31,281. The event achieved over \$23 million in media impact value for Western Australia.
- *Celebrated our 25th year as a sponsor of the Hyundai Hopman Cup*, which was held for the first time in the new Perth Arena in December/January. The line-up was one of the best Hopman Cup fields ever assembled and included world men's number one Novak Djokovic, Ana Ivanovic, Jo-Wilfried Tsonga, Venus Williams, John Isner, Tommy Haas and Francesca Schiavone. A record 104,468 people attended over the duration of the event. The media impact value to Western Australia was \$132 million.
- *Supported Surfing WA's successful bid to gain World Championship Tour (WCT) status for the Drug Aware Margaret River Pro surfing event*. The upgrade (women's from 2013 and men's from 2014) guarantees that the top 32 ranked male and top 18 ranked female surfers in the world must compete at Margaret River. The competition will expand to a 12-day window from a previous seven days. The 2013 event achieved a record number of viewers on the internet with more than two million viewers and 50 million website hits with 10.6 million page views – an increase of 174 per cent on the previous year.
- *In its inaugural year, the BHP Billiton Aquatic Super Series attracted almost \$3.78 million in media value*, was broadcast in 10 key international markets and had a global audience of around 1.4 million. More than 250 participants, coaches and team officials travelled to Perth for the event and 3,143 spectators came to watch the water polo and elite swimming at Challenge Stadium. The open water challenge attracted 321 athletes. More than 8,000 people engaged in the community program, which visited four regions over 20 towns from September to April with support from Royalties for Regions.
- *The inaugural Margaret River Gourmet Escape was held in November and featured 25 of the world's best chefs and food and wine critics*. The event showcased Western Australia's diverse landscape and its world class food, wine and produce through 40 different shows, functions and tours. Over 11,000 tickets were sold to locals and visitors from interstate and overseas. The event achieved very high satisfaction (92%) and recommendation ratings (95%), through independent research.



- *Hosted one of the world's most formidable rugby teams, the British & Irish Lions, during their tour of Australia.* The event was held at Paterson's Stadium in June, attracting 34,377 attendees. The television broadcast reached key east coast, New Zealand and United Kingdom markets as well as Hong Kong, Singapore and Malaysia for a total media value of around \$0.9 million. The match against the Western Force was part of Eventscorp's three-year deal with the Australian Rugby Union to stage international rugby in Perth. Under the deal, the Qantas Wallabies will play International Test matches in Perth against Argentina in September 2013 and South Africa in 2014.
- *Supported the expansion of the Tour de Perth cycling event to become part of Cycling Australia's Subaru National Road Series.* This national-level series involves professional teams competing in a number of events staged across the country and is one of the main features of the Australian road racing calendar. The Tour de Perth featured stages in the city, Kings Park, the Perth hills and Rottnest Island. The 2013 event coincided with the UCI World Cycling Tour (UWCT) Masters event in Perth. Over 4000 spectators watched the race at Kings Park.
- *Hosted the V8 Supercars Chill Perth 360 Championships at the recently upgraded Barbagallo Raceway.* Over 49,000 people attended the event, an increase of six per cent on 2012. Red Bull Racing dominated the weekend with Craig Lowndes winning the Saturday race and Jamie Whincup taking the double on Sunday. The event was broadcast live across Australia and internationally through Europe, Asia and the USA.
- *Hosted the inaugural Sino-Australia Challenge Basketball in June at the Perth Arena and the State Basketball Centre.* The Chinese leg of the series took place in Tianjin City and Yongchen. The broadcast comprised over 52 hours of dedicated broadcast time, with the independent media impact analysis valuing the Perth and Western Australian branding at \$18 million.
- *Contributed key funding for the Australian exclusive exhibitions Picasso to Warhol: Fourteen Modern Masters;* Picturing New York Photographs from The Museum of Modern Art; and Van Gogh, Dali & Beyond, The World Reimagined at the Art Gallery of WA. These exhibitions were developed by the Gallery and the Museum of Modern Art (MoMA) in New York.
- *Supported 52 regional events under the Regional Events Scheme* for the 2013/14 period, which were jointly funded by Royalties for Regions.
- *Through Royalties for Regions, supported WA's three major country racing thoroughbred cup carnivals –* Kalgoorlie, Broome and Bunbury – to enhance the appeal and ability of the events to attract visitors.
- *New events funded through the Royalties for Regions program for 2012/13* included Ironman 70.3 Championships Mandurah and the North West Festival in Port Hedland.
- *Secured the inaugural Kiteracing Oceanic Championships for 2013 and 2014.* This new event is expected to attract thousands of spectators and generate international media exposure. The championships will be part of the International Kiteboarding Association's annual course racing calendar and competitors are expected from Australia, New Zealand, Canada, the United States, Great Britain, Brazil, Spain, Germany, Poland and Mexico. The event is proposed for December 2013 at Leighton Beach, Perth.

TOURISM INVESTMENT AND INFRASTRUCTURE

Tourism WA facilitates the development of strategic tourism infrastructure in WA. The focus is on where the greatest impact can be delivered to achieve the agency's strategic objective of doubling tourism visitor expenditure by 2020. Tourism WA is not responsible for delivery of the infrastructure project itself, but works with and through other State government agencies, local government authorities and the private sector to ensure tourism outcomes are achieved.

Focus areas include attracting tourism investment, improving aviation access, increasing hotel and eco-accommodation development, expanding cruise shipping, developing the caravan and camping sector, and associated planning and policy issues – all of which aim to meet the needs of Western Australia's key target markets.

Major achievements 2012/13

Hotel and Eco-accommodation Development:

- *Released the former FESA House and Perth Chest Clinic site on Hay and Murray Streets in the Perth CBD as the first incentivised hotel site managed by the agency*, in partnership with LandCorp. The selection of a preferred proponent through a Registrations of Interest process, and negotiation on commercial terms for the site were undertaken in 2012/13, with the development expected to commence later in 2013.
- *Continued the development of eco-accommodation projects through the Naturebank Program* (a partnership with the former Department of Environment and Conservation, now the Department of Parks and Wildlife (DPAW)) throughout the year. Specifically the agency:
 - *Released the Francois Peron National Park, Shark Bay site for expressions of interest*. Discussions continue with the short-listed applicants.
 - *Selected the operator for Wharncliffe Mill, Bramley National Park, near Margaret River*. Operations commenced in November 2012.
- *Tourism WA's CEO was a member of the selection committee for the hotel site in the first release of land at Elizabeth Quay*, with the agency's investment attraction activities influential in attracting a wide range of proponents to the Registration of Interest process. The successful proponent is expected to be announced later in 2013.

Investment Attraction:

Investment attraction is a significant service provided by Tourism WA, with potential investors introduced to government and private hotel development projects in Perth and regional WA.

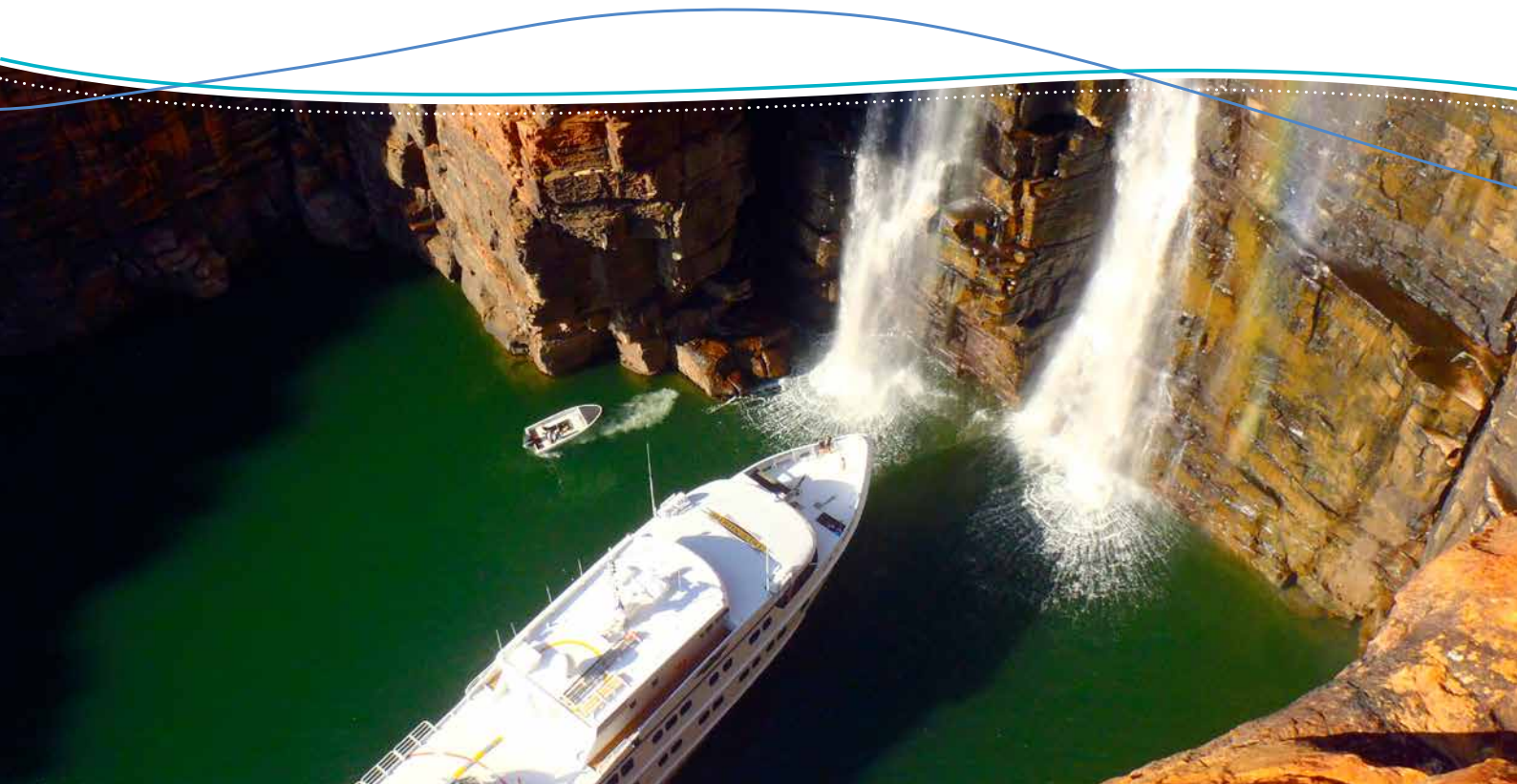
- *Tourism WA worked with the Cities of Albany and Busselton and with LandCorp* to introduce interested investors to the hotel sites at the Albany waterfront and Busselton foreshore projects.
- *Provided the introduction between Hilton Worldwide and Rothchester Group* to deliver the first Double Tree Hilton in Australia, expected to open in Karratha in mid-2014 (144 rooms).
- *Following the promotion of opportunities in Perth by Tourism WA*, the Intercontinental Hotel Group (IHG) announced a proposal for a 224-room Holiday Inn Express, the first of its kind in Australia, for 257 Adelaide Terrace, Perth.
- *Provided introductions that ultimately led to the acquisition of the Esplanade Suites* by one of China's top 10 hotel groups, Narada Hotel Group, in February 2013.
- *Increased awareness of WA as a strong investment opportunity through partnered initiatives with Tourism Australia and Austrade* in Australia, Hong Kong, Singapore, Dubai, Qatar, Abu Dhabi, Berlin, Toronto, Shanghai, Zhejiang, Hangzhou as part of the Federal focus to attract investment into tourism infrastructure.

Aviation Access:

- *Welcomed the commencement of flights by two major international airlines.* Qatar Airways launched direct flights between Doha and Perth from 3 July 2012 and Garuda Indonesia reinstated direct flights between Jakarta and Perth from 28 June 2013. International aviation capacity into Western Australia increased more than ten per cent this financial year.
- *Establishing Broome as an international gateway was a focus for much of 2012/13*, with conversations with airlines on the potential undertaken mid year. Although the withdrawal of Woodside from the James Price Point project has impacted the viability of international flights at this time, the airline conversations revealed interest in exploring a low-cost carrier entrance to the Broome and this will be investigated further in 2013/14.
- *Continued working with the South West Development Commission, City of Busselton and Department of Transport* to plan for the future development of Busselton Regional Airport as a gateway to Australia's South West through interstate and international flights.
- *Participated in the formulation of the Western Australia State Aviation Strategy* which will be released in 2013/2014.

Cruise Shipping:

- *Launched the Western Australian Cruise Shipping Strategic Plan 2012-2020*, which plans to maximise the economic benefits of cruise shipping for the State. The plan was prepared by the Cruise Western Australia Committee, chaired by Professor Ross Dowling OAM, which is supported by Tourism WA. Strategies for increasing WA's share of the cruise shipping industry include conducting regional 'cruise ready' workshops and raising awareness of the State as an attractive cruise destination through various marketing initiatives.
- *A WA Cruise Exchange trade event was held in June 2013 in partnership with the WA branch of the Australian Tourism Export Council.* The goal was to introduce cruise specific inbound tour operators and cruise line executives to 'cruise ready' products across the State. More than 100 industry members took part in the cruise ready workshop as part of this event.



Self Drive and Caravan and Camping:

- *Established the Western Australian Caravan and Camping Action Plan: 2013-2018* which contains 11 recommendations aimed at improving the supply, delivery and promotion of the caravan and camping sector. (The Action Plan received State Budget funding in 2013/14.)
- *Released a 13.5 hectare site near Cable Beach in Broome for development as a caravan park*, in partnership with the Shire of Broome. Interested developers will be invited to submit proposals later in 2013.

Kimberley Science and Conservation Strategy:

- *Major studies were completed to identify the servicing and infrastructure requirements* of tourism corridors, selected 4WD expedition routes, and the Kimberley Aerial Highway.
- *Delivered a blueprint for the development of commercial camping grounds on Aboriginal lands* (Camping with Custodians), a plan for the development of an icon-walk in the Cockburn Ranges, and a Kimberley Coast Cruise Management Strategy.
- *Assisted 12 Aboriginal tourism operations* to achieve substantial product and marketing development.

Tourism Planning:

- *Worked with the City of Perth to implement plot ratio bonuses for hotel development within the Perth CBD* through endorsement of Amendment No 25 to the City of Perth planning scheme, which was gazetted on 26 February 2013. Since the implementation of the plot ratio bonus an increase in applications for hotel development has been received by the City of Perth, with approximately 1,041 rooms proposed.
- *Continued to represent tourism interests in the planning of the new Perth Stadium and the development of Elizabeth Quay*, as well as being an integral part of the Perth Destination Development Strategy currently being prepared by Tourism Council Western Australia.
- *The CEO is a member of the Royalties for Regions Directors General Reference Group*, which provides input to key regional projects across the State, while the agency also represents tourism interests on the Kimberley Regional Planning Committee and the Gascoyne Regional Planning Committee.
- *Commenced work with the Department of Training and Workforce Development on the development of a Tourism Workforce Action Plan* that prioritises the many initiatives underway across government agencies and organisations, with the aim of monitoring and leveraging outcomes for the benefit of the industry.





2.2 FINANCIAL TARGETS

	2012/13 Original Target \$'000	2012/13 Revised Target \$'000	2012/13 Actual \$'000	Variation \$'000
Total Cost of Services (approved expense limit)	74,428	71,346	74,056	2,710
Net Cost of Services (see Statement of Comprehensive Income)	73,369	70,287	71,913	1,626
Total Equity (see Statement of Financial Position)	8,935	16,408	15,189	(1,219)
Net Increase/(Decrease) in Cash (see Statement of Cash Flows)	779	2,293	(3,288)	(5,581)
Full-Time Equivalent (FTE) staff level	88.0	91.0	93.6	2.6

Total Cost of Services

Original Target / Approved expense limit - 2012/13 State Budget papers

\$'000

74,428

Approved adjustments during 2012/13:

2012/13 Corrective Measures	(712)
2012/13 Corrective Measures - leave liability cap	(108)
2012/13 Corrective Measures - advertising freeze	(3,437)
Shared Services Decommissioning	774
Royalties for Regions - carryover of expenditure budgets from 2011/12	514
Miscellaneous expense adjustments	(113)

Revised Target / Approved adjusted 2012/13 expense limit - 2013/14 State Budget Papers

71,346

Explanatory Notes to Variations

Total Cost of Services

The variance of \$2.7 million between the Actual Total Cost of Services and the Adjusted Expense Limit is largely the result of an announcement from the Department of Treasury, on 14 May 2013, of a freeze on 2012/13 advertising and promotion expenditure to contribute to short term corrective measure savings. The savings figure calculated by Treasury amounted to \$3.437 million. Tourism WA could not meet the the full savings amount as at the time of the announcement, approximately \$2.48 million of media/advertising spend was committed expenditure. As a result, a total of \$0.96 million of the savings target was met. Tourism WA communicated to relevant Government stakeholders its inability to meet the entire savings target however the full \$3.437 million in savings was adjusted against Tourism WA's expense limit.

Net Cost of Services

The variance in Net Cost of Services is the result of the advertising and promotions expenditure variance detailed under Total Cost of Services offset by higher than anticipated revenue recorded during the year.

Total Equity

The decrease in equity against the revised target is largely due to the variation explained in Net Cost of Services above.

Net Increase/(Decrease) in Cash

The variation to the movement in cash is mainly the result of Tourism WA's inability to meet the full advertising and promotion expenditure savings target (see Total Cost of Services above), the settlement of short-term payables early in 2012/13 and a higher than anticipated level of prepayments for expenditure relating to 2013/14. The table below provides further details of cash held at 30 June 2013:

	\$'000
Total reported cash assets including Restricted Cash (see Statement of Financial Position)	11,219
less Restricted Cash held (Royalties for Regions funds)	(891)
less cash on hand and cash held in Japan bank account	(89)
Total adjusted cash assets as at 30 June 2013	10,239
 add Receivables at 30 June 2013 (due July 2013)	1,816
add Prepayments at 30 June 2013 (offsetting funding to be received 2013/14)	2,678
less Payables at 30 June 2013 (due July 2013)	(6,309)
less Provisions (employee entitlement balances) at 30 June 2013	(3,113)
Available cash at end of year	5,311
 less Funding received in advance (Australian Surf Life Saving Championships (Aussies) 2014)	(2,150)
Surplus cash at end of year	3,161

Full-Time Equivalent (FTE) Staff level

Actual FTEs in 2012/13 are higher than the revised target mainly due to the exclusion of redeployees in the target figures reported in the State Budget papers, as directed by the Department of Treasury.

2.3 KEY PERFORMANCE INDICATORS

KEY EFFECTIVE INDICATORS

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

	2012/13 Target	2012/13 Actual	Outcome
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90	97.7	Achieved
The number of inbound visitors to Western Australia, from interstate and international sources	1,830,000	1,872,800	Achieved
Western Australia's share of the international visitors to Australia.	13.7%	13.4%	Not Achieved
Value of cooperative marketing funds provided by the tourism industry	\$4.3 million	\$5.96 million	Achieved

KEY EFFICIENCY INDICATORS

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

	2012/13 Target	2012/13 Actual	Outcome
Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend	1 : 164	1 : 188	Achieved
Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events	1 : 6.33	1 : 8.09	Achieved

3.0 SIGNIFICANT ISSUES IMPACTING THE AGENCY

The global economic outlook remains polarised with most of Western Australia's traditional tourism markets (UK, Europe and USA) still economically weak compared to emerging markets (such as China and Indonesia). This affects consumer confidence and the relative travel potential of these markets. While Australians continue to travel both domestically and internationally, the weakening Australian dollar is likely to dampen demand for international holidays in the coming year.

Travel to and within WA increased in the past year. In total, there were 7 million overnight visitors (an increase of 7.9 per cent) and 14.3 million day trip visitors (an increase of 1.6 per cent) who spent a total of \$7.5 billion (an increase of 10.6 per cent) in the State. The intrastate market grew strongly, and interstate and international visitor numbers also improved.

Air capacity to and within the State has continued to grow with domestic capacity increasing by seven per cent and international capacity increasing by 16 per cent in 2012. Tourism WA will continue to work with Perth Airport on attracting new airlines and air services to the State's capital.

While 250 new hotel rooms were added in Perth in the last year, an additional 1,650 rooms are needed to achieve Tourism WA's 2020 strategy goal. Plot ratio bonuses are now available to Perth developers building hotels in Perth city and Tourism WA continues to promote hotel investment opportunities in a responsible and measured way.

Changes in written law

No changes to written law directly affecting Tourism WA were recorded in 2012/13.



4.0 DISCLOSURES AND LEGAL COMPLIANCE

4.1 INDEPENDENT AUDITOR'S REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN TOURISM COMMISSION

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Tourism Commission at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Western Australian Tourism Commission during the year ended 30 June 2013.

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

Board's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Western Australian Tourism Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2013.

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

Board's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of the Western Australian Tourism Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Tourism Commission for the year ended 30 June 2013 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
13 September 2013

4.2 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The accompanying financial statements of the Western Australian Tourism Commission (operating as Tourism Western Australia) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position as at 30 June 2013.

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



Howard Cearns
DEPUTY CHAIRMAN

6 September 2013



Diane Smith-Gander
COMMISSIONER

6 September 2013



Renato Sansalone
CHIEF FINANCIAL OFFICER

6 September 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	11,645	12,371
Supplies and services	7	22,499	24,011
Depreciation and amortisation expense	8	485	428
Accommodation expenses	9	2,067	1,963
Grants and subsidies	10	356	642
Event operations expenses	11	24,442	18,503
Advertising and promotion expenses	12	12,439	12,615
Other expenses	13	123	493
Total cost of services		74,056	71,026
Income			
Revenue			
User charges and fees	14	11	-
Commonwealth grants and contributions	15	-	3,950
Interest revenue	16	399	346
Other revenue	17	1,733	2,363
Total Revenue		2,143	6,659
Total income other than income from State Government		2,143	6,659
NET COST OF SERVICES		71,913	64,367
Income from State Government	18		
Service appropriation		60,786	65,414
Resources received free-of-charge		516	1,032
Royalties for Regions Fund		10,762	5,174
Total income from State Government		72,064	71,620
SURPLUS FOR THE PERIOD		151	7,253
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	30	-	-
Gains/(losses) recognised directly in equity		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		151	7,253

See also note 42 'Schedule of Income and Expenses by Service'.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	31	10,328	13,539
Restricted cash and cash equivalents	19, 31	891	968
Receivables	20	1,816	928
Prepayments	21	2,678	709
Amounts receivable for services	22	475	475
Total Current Assets		16,188	16,619
Non-Current Assets			
Amounts receivable for services	22	5,652	5,385
Property, plant and equipment	24	910	1,064
Intangible assets	25	1,970	321
Other non-current assets	23	167	145
Total Non-Current Assets		8,699	6,915
TOTAL ASSETS		24,887	23,534
LIABILITIES			
Current Liabilities			
Payables	27	6,309	6,964
Provisions	28	2,402	2,342
Other Current liabilities	29	164	222
Total Current Liabilities		8,875	9,528
Non-Current Liabilities			
Provisions	28	711	659
Other non-current liabilities	29	112	273
Total Non-Current Liabilities		823	932
TOTAL LIABILITIES		9,698	10,460
NET ASSETS		15,189	13,074
EQUITY	30		
Contributed equity		8,793	6,829
Reserves		2,010	2,010
Accumulated surplus		4,386	4,235
TOTAL EQUITY		15,189	13,074

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011	30	6,779	2,010	(3,018)	5,771
Surplus		-	-	7,253	7,253
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	7,253	7,253
Transactions with owners in their capacity as owners:					
Capital appropriations		50	-	-	50
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		50	-	-	50
Balance at 30 June 2012		6,829	2,010	4,235	13,074
Balance at 1 July 2012		6,829	2,010	4,235	13,074
Surplus		-	-	151	151
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	151	151
Transactions with owners in their capacity as owners:					
Capital appropriations		264	-	-	264
Other contributions by owners		1,700	-	-	1,700
Distributions to owners		-	-	-	-
Total		1,964	-	-	1,964
Balance at 30 June 2013		8,793	2,010	4,386	15,189

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		60,044	64,625
Capital appropriation		1,964	50
Holding account drawdowns		475	475
Royalties for Regions Fund		10,762	5,174
Net cash provided by State Government		73,245	70,324
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(12,010)	(12,636)
Supplies and services		(23,154)	(20,912)
Accommodation		(2,690)	(1,929)
Grants and subsidies		-	(905)
GST payments on purchases		(5,845)	(5,101)
Event operations payments		(25,279)	(18,304)
Advertising and promotion payments		(11,664)	(13,225)
Other payments		(1,075)	(649)
Receipts			
User charges and fees		8	-
Commonwealth grants and contributions		-	3,950
Interest received		388	319
GST receipts on sales		141	222
GST receipts from taxation authority		5,045	4,883
Other receipts		1,408	2,255
Net cash used in operating activities	31	(74,727)	(62,032)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(1,806)	(669)
Receipts			
Proceeds from sale of non-current physical assets		-	1
Net cash used in investing activities		(1,806)	(668)
Net increase/(decrease) in cash and cash equivalents		(3,288)	7,624
Cash and cash equivalents at the beginning of period		14,507	6,883
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	31	11,219	14,507

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS

General

The Western Australian Tourism Commission's (WATC) financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The WATC cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the WATC for the annual reporting period ended 30 June 2013.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General statement

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

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

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

(b) Basis of preparation

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

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

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

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

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

(c) Reporting entity

The reporting entity comprises the Western Australian Tourism Commission referred to as Tourism WA. There are no related bodies. See note 39 'Related Bodies'.

(d) Contributed equity

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

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

(e) Income

Revenue recognition

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

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Service appropriations

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

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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

(f) Property, plant and equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 24 'Property, plant and equipment'.

Depreciation

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

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

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

(g) Intangible assets

Capitalisation/expensing of assets

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

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

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

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

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

Campaign Production Costs	3 years
Development Costs	3 to 5 years
Software ^(a)	3 to 5 years
Website costs	3 to 5 years

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

Campaign production costs

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

Development costs

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

Computer software

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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.

(h) Impairment of assets

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

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

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

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

(i) Leases

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

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

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

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

(k) Cash and cash equivalents

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

(l) Accrued salaries

Accrued salaries (see note 27 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year-end. The WATC considers the carrying amount of accrued salaries to be equivalent to its fair value.

(m) Amounts receivable for services (holding account)

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

(n) Receivables

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

(o) Payables

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

(p) Provisions

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

Provisions - employee benefits

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

Annual leave

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

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

Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Superannuation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

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

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

Provisions – other

Employment on-costs

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

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

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

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

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

(s) Foreign Currency

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

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

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

Fair value hedges

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

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

(t) Comparative figures

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

NOTE 3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

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

Operating lease commitments

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

NOTE 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Long Service Leave

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard

The WATC has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the WATC.

AASB 2011-9	<i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i> This Standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.
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Voluntary changes in accounting policy

Effective from 1 July 2012, the WATC has amended its accounting policy on the capitalisation/amortisation of intangible assets to include a new class of intangible asset - Campaign production costs (see note 2 (g) 'Intangible Assets').

Tourism advertising campaigns are developed for roll-out over more than one year. Developed material such as images and video are used for several years as part of the exploitation of the Tourism WA brand. Therefore the costs associated with production of these images and videos provide an ongoing benefit to the WATC in more than one financial year.

The WATC believes that the capitalisation and amortisation of these production costs provides a more reliable reflection of the consumption of campaign production expenditure over the period of the campaign, which could be as long as three years. These costs were previously expensed in the year they were incurred as part of Advertising and Promotion expenses. This resulted in significant variability in this financial statement category over time particularly in those years when substantial campaign production was incurred.

For the 2013 year, the effect of the accounting policy change is a charge of \$1.6 million against Intangible assets in the Statement of Financial Position. As the campaign development was not finalised at the end of the 2013 reporting period, this amount has been disclosed as work in progress. Amortisation of this intangible asset will commence once the campaign production is complete and the images and video are in use. The WATC estimates that these images and video have a useful life of approximately three years based upon historical time-frames between campaign renewals.

Comparative figures for 2012 have not been restated to reflect this policy as accounting standard AASB 118 *Intangible Assets* (paragraph 71) prohibits expenditure on intangible assets initially recognised as expenses being recognised as part of an asset at a later date.

Future impact of Australian Accounting Standards not yet operative

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

		Operative for reporting periods beginning on/after
AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2015. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 10	<p>Consolidated Financial Statements</p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 11	<p>Joint Arrangements</p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 12	<p>Disclosure of Interests in Other Entities</p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 13	<p>Fair Value Measurement</p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p>Employee Benefits</p> <p>This Standard supersedes AASB 119 (October 2010) making changes to the recognition, presentation and disclosure requirements.</p> <p>The WATC does not have any defined benefit plans, and therefore the financial impact will be limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.</p>	1 Jan 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

		Operative for reporting periods beginning on/after
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The WATC has not yet determined the application or the potential impact of this Standard.</p>	1 Jan 2014
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard specifies the nature of budgetary disclosures and the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. The WATC will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 and 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

		Operative for reporting periods beginning on/after
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. For not-for-profit entities it applies to the annual reporting period beginning on or after 1 January 2013. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

		Operative for reporting periods beginning on/after
AASB 2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i> This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.	1 Jan 2013
AASB 2011-11	<i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i> This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	1 Jul 2013
AASB 2012-1	<i>Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i> This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.	1 Jul 2013
AASB 2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i> This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.	1 Jan 2013
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i> This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.	1 Jan 2014
AASB 2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i> This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.	1 Jan 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

		Operative for reporting periods beginning on/after
AASB 2012-6	<p><i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 Jan 2013
AASB 2012-7	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127]</i></p> <p>This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.</p>	1 Jul 2013
AASB 2012-10	<p><i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]</i></p> <p>This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.</p> <p>The Standard was issued in December 2012. The WATC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2012-11	<p><i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4]</i></p> <p>This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.</p> <p>This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6. EMPLOYEE BENEFITS EXPENSE

	2013 \$'000	2012 \$'000
Wages and salaries ^(a)	9,700	10,387
Superannuation – defined contribution plans ^(b)	902	882
Other staffing costs	1,043	1,102
	11,645	12,371

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

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contribution paid).

Employment on-costs expenses, such as workers' compensation insurance, are included at note 13 'Other Expenses'.

Employment on-costs liability is included at note 28 'Provisions'.

NOTE 7. SUPPLIES AND SERVICES

	2013 \$'000	2012 \$'000
Commissioner's fees and charges	276	325
Communications expenses	311	255
Computer expenses	1,324	947
Contracts for service	9,108	8,963
General administration expenses	2,065	2,081
Insurance	91	72
Marketing services	3,724	4,095
Operating lease, rental and hire costs	412	822
Printing and stationery	42	52
Professional services (a)	3,225	4,338
Research	819	957
Travel	900	906
Vehicles	202	198
	22,499	24,011

(a) Includes audit fees. See also note 38 'Remuneration of Auditor'.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 8. DEPRECIATION AND AMORTISATION EXPENSE

	2013 \$'000	2012 \$'000
<u>Depreciation</u>		
Computer equipment	35	76
Furniture and fittings	291	268
Leasehold improvements	-	-
Total depreciation	326	344
<u>Amortisation</u>		
Intangible assets	24	4
Development costs	135	80
Total amortisation	159	84
Total depreciation and amortisation	485	428

NOTE 9. ACCOMMODATION EXPENSES

	2013 \$'000	2012 \$'000
Cleaning	63	47
Lease rentals	1,186	1,259
Utilities	153	81
Repairs and maintenance	665	576
	2,067	1,963

NOTE 10. GRANTS AND SUBSIDIES

	2013 \$'000	2012 \$'000
<u>Recurrent</u>		
Sponsorships	332	281
Other grants	24	361
	356	642

NOTE 11. EVENTS OPERATIONS EXPENSE

	2013 \$'000	2012 \$'000
Events sponsorship	24,442	18,503
	24,442	18,503

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 12. ADVERTISING AND PROMOTION EXPENSES

	2013 \$'000	2012 \$'000
Promotions and co-operative campaigns	10,682	10,556
Collateral – production and distribution	524	462
Familiarisation visits ^(a)	1,131	1,571
Multimedia and audiovisual	102	26
	12,439	12,615

(a) 2012 familiarisation visits includes expenses associated with the Australian Tourism Exchange held in June 2012.

NOTE 13. OTHER EXPENSES

	2013 \$'000	2012 \$'000
Employment on-costs	83	53
Loss on disposal of non-current assets	-	275
Loss on foreign exchange	34	-
Miscellaneous expenses	6	65
Act of grace payment ^(a)	-	100
	123	493

(a) The 2012 act of grace payment related to a proposed event where the prospective sponsorship recipient did not reach an agreed milestone requirement and the WATC's offer of support was declared null and void. The prospective recipient had, however, incurred costs in achieving a prior agreed milestone and an act of grace payment was approved by the Minister for Tourism as acknowledgement of this work.

NOTE 14. USER CHARGES AND FEES

	2013 \$'000	2012 \$'000
User charges and fees	11	-
	11	-

NOTE 15. COMMONWEALTH GRANTS AND CONTRIBUTIONS

	2013 \$'000	2012 \$'000
ISAF World Championships ^(a)	-	3,600
Commonwealth Heads of Government Meeting (CHOGM)	-	350
	-	3,950

(a) Commonwealth contribution to assist with the preparation and conducting of the International Sailing Federation (ISAF) World Championships held in December 2011. The total Commonwealth contribution was \$8.6 million over the three years 2010 to 2012.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16. INTEREST REVENUE

	2013 \$'000	2012 \$'000
Interest revenue – general bank account	399	346
	399	346

NOTE 17. OTHER REVENUE

	2013 \$'000	2012 \$'000
Industry contributions and sponsorship	1,201	1,264
State grants and subsidies	-	501
Travel agents' commissions	40	51
Miscellaneous revenue	492	547
	1,733	2,363

NOTE 18. INCOME FROM STATE GOVERNMENT

	2013 \$'000	2012 \$'000
Appropriation received during the period:		
Service appropriation ^(a)	60,786	65,414
	60,786	65,414
Resources received free-of-charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
- Department of Finance	272	261
- State Solicitors Office	22	7
- WA Land Information Authority	222	764
	516	1,032
Royalties for Regions Fund:		
- Regional Community Services Account ^(c)	10,762	5,174
	72,064	71,620

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

(b) Assets or services received free-of-charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

(c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and for 2013 comprises funding of \$8.42m for Regional Events (2012: \$4.012m), \$1.34m for a Regional Tourism Marketing Program (2012: nil), \$0.67m for a Kimberley Science and Conservation Strategy (2012: \$0.83m), \$0.33m towards the WA Indigenous Tourism Operators Council (WAITOC) (2012: \$0.33m) and \$2k for regional workers incentives allowance payments (2012: \$2k).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 19. RESTRICTED CASH AND CASH EQUIVALENTS

	2013 \$'000	2012 \$'000
<u>Current</u>		
Royalties for Regions Fund ^(a)	891	968
	891	968

(a) Unspent funds are committed to projects and programs in WA regional areas

NOTE 20. RECEIVABLES

	2013 \$'000	2012 \$'000
<u>Current</u>		
Receivables	146	118
Allowance for impairment of receivables	-	-
Accrued Income	122	107
Hopman Cup ^(a)	279	91
GST receivable	1,269	612
	1,816	928
<u>Hopman Cup^(a)</u>		
Distribution due at start of period	91	232
- Plus share of profits for the current event	279	91
	370	323
Less distribution received	(91)	(232)
Balance due at end of period	279	91
Total receivables	1,816	928

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

(a) Receivable – Hopman Cup

The Hopman Cup is an international tennis event. Since February 2001, the organisation of the event has been undertaken by the International Tennis Federation. Under contract, the WATC is entitled to 25% of the profits of the venture. Under an agreement with Hopman Cup Pty Ltd, the WATC is required to meet the first \$2,000,000 of any loss or deficit that may arise from the event. The current arrangements expire after the 2014 event. A new agreement has been entered into effective from the 2015 event that sees the removal of the profit share and underwriting arrangements.

NOTE 21. PREPAYMENTS

	2013 \$'000	2012 \$'000
Prepayments	2,678	709
	2,678	709

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 22. AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

	2013 \$'000	2012 \$'000
Current	475	475
Non-current	5,652	5,385
	6,127	5,860

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

NOTE 23. OTHER ASSETS

	2013 \$'000	2012 \$'000
Non-current		
Investments ^(a)	167	145
Total non-current	167	145

(a) The WATC holds an 11.94% (2012: 11.94%) interest in Australian Tourism Data Warehouse Pty Ltd (ATDW), which is classified as an available-for-sale asset in accordance with AASB 139. Its principal activity is the development of a database for Australian tourism products. Since there is no active market, the fair value is its liquidation value being working capital plus property, plant and equipment.

NOTE 24. PROPERTY, PLANT AND EQUIPMENT

	2013 \$'000	2012 \$'000
<u>Leasehold improvements</u>		
At cost	26	26
Accumulated depreciation	(18)	(18)
	8	8
<u>Furniture, fittings and equipment</u>		
At cost	3,026	2,937
Accumulated depreciation	(2,155)	(1,919)
	871	1,018
<u>Computer equipment</u>		
At cost	674	734
Accumulated depreciation	(643)	(696)
	31	38
Total	910	1,064

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
2013	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of period	8	1,018	38	1,064
Additions	-	144	28	172
Transfers	-	-	-	-
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses ^(a)	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-
Depreciation	-	(291)	(35)	(326)
Carrying amount at end of period	8	871	31	910

	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Total
2012	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of period	35	944	109	1,088
Additions	-	317	14	331
Transfers	(27)	27	-	-
Other disposals	-	(2)	(9)	(11)
Classified as held for sale	-	-	-	-
Revaluation increments	-	-	-	-
Impairment losses ^(a)	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-
Depreciation	-	(268)	(76)	(344)
Carrying amount at end of period	8	1,018	38	1,064

^(a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where a previously revalued asset is written-down to recoverable amount, the loss is recognised as a revaluation decrement in the Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 25. INTANGIBLE ASSETS

	2013 \$'000	2012 \$'000
<u>Software and website development</u>		
At cost	125	108
Accumulated amortisation	(24)	(108)
	101	-
<u>Development costs</u>		
At cost	439	401
Accumulated amortisation	(214)	(80)
	225	321
<u>Campaign production costs</u>		
Work in progress - at cost	1,644	-
Accumulated amortisation	-	-
	1,644	-
	1,970	321
Reconciliations:		
<u>Software and website development</u>		
Carrying amount at start of period	-	4
Additions	125	-
Adjustments	-	-
Disposals	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(24)	(4)
Carrying amount at end of period	101	-
<u>Development costs</u>		
Carrying amount at start of period	321	548
Additions	39	133
Adjustments	-	-
Disposals	-	(280)
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(135)	(80)
Carrying amount at end of period	225	321
<u>Campaign production costs</u>		
Carrying amount at start of period	-	-
Additions	1,644	-
Adjustments	-	-
Disposals	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	-	-
Carrying amount at end of period	1,644	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 26. IMPAIRMENT OF ASSETS

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2013.

The WATC held no goodwill or intangible assets with an indefinite useful life during the reporting period.

All surplus assets at 30 June 2013 have either been classified as assets held for sale or written-off.

NOTE 27. PAYABLES

	2013 \$'000	2012 \$'000
<u>Current</u>		
Trade payables	2,149	1,440
Other payables	53	39
Accrued salaries	230	267
Accrued expenses	3,877	5,218
Total current	6,309	6,964

NOTE 28. PROVISIONS

	2013 \$'000	2012 \$'000
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	1,064	988
Long service leave ^(b)	1,044	927
Deferred salary scheme ^(c)	-	34
	2,108	1,949
<i>Other provisions</i>		
Employment on-costs ^(d)	294	393
	294	393
	2,402	2,342
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	609	574
	609	574
<i>Other provisions</i>		
Employment on-costs ^(d)	102	85
	102	85
	711	659

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 28. PROVISIONS CONTINUED

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

	2013 \$'000	2012 \$'000
Within 12 months of the end of the reporting period	747	549
More than 12 months after the end of the reporting period	317	439
	1,064	988

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

	2013 \$'000	2012 \$'000
Within 12 months of the end of the reporting period	479	348
More than 12 months after the end of the reporting period	1,174	1,153
	1,653	1,501

- (c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2013 \$'000	2012 \$'000
Within 12 months of the end of the reporting period	-	34
More than 12 months after the end of the reporting period	-	-
	-	34

- (d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 13 'Other expenses'.

Movements in other provisions

	2013 \$'000	2012 \$'000
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	478	453
Additional provisions recognised	-	25
Payments/other sacrifices of economic benefits	(82)	-
Unwinding of the discount	-	-
Carrying amount at end of period	396	478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 29. OTHER LIABILITIES

	2013 \$'000	2012 \$'000
<u>Current</u>		
Income in advance	-	7
Lease incentive liability ^(a)	161	213
Other	3	2
Total current	164	222
<u>Non-current</u>		
Lease incentive liability ^(a)	112	273
Total non-current	112	273

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

NOTE 30. EQUITY

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

Contributed equity

	2013 \$'000	2012 \$'000
Balance at start of period	6,829	6,779
<u>Contributions by owners</u>		
Capital appropriation	264	50
<u>Other contributions by owners</u>		
Royalties for Regions Fund – Regional Community Services Account	1,700	-
Total contributions by owners	1,964	50
Balance at end of period	8,793	6,829

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 30. EQUITY CONTINUED

Reserves

	2013 \$'000	2012 \$'000
Asset revaluation surplus		
Balance at start of period	2,010	2,010
Net revaluation increments/(decrements):	-	-
Balance at end of period	2,010	2,010

Accumulated surplus/(deficit)

	2013 \$'000	2012 \$'000
Balance at start of period	4,235	(3,018)
Result for the period	151	7,253
Income and expense recognised directly in equity	-	-
Balance at end of period	4,386	4,235

NOTE 31. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash

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

	2013 \$'000	2012 \$'000
Cash and cash equivalents	10,328	13,539
Restricted cash and cash equivalents	891	968
	11,219	14,507

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 31. NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

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

	2013 \$'000	2012 \$'000
Net cost of services	(71,913)	(64,367)
<u>Non-cash items</u>		
Depreciation and amortisation expense (<i>note 8 'Depreciation and amortisation expense'</i>)	485	428
Doubtful debts expense (<i>note 13 'Other expenses'</i>)	-	-
Resources received free-of-charge (<i>note 18 'Income from State Government'</i>)	516	1,032
Net loss on sale of property, plant, equipment and intangible assets	-	291
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	(231)	175
Other current assets	(1,969)	(238)
Other non-current assets	(22)	25
<u>Increase/(decrease) in liabilities</u>		
Current payables ^(a)	(655)	505
Current provisions	60	176
Other current liabilities	(58)	(308)
Non-current provisions	52	135
Other non-current liabilities	(161)	10
Net GST receipts/(payments) ^(b)	(659)	5
Change in GST in receivables/payables ^(c)	(172)	99
Net cash used in operating activities	(74,727)	(62,032)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 32. COMMITMENTS

The commitments detailed below are inclusive of GST.

Non-cancellable operating lease commitments

	2013 \$'000	2012 \$'000
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the Financial Statements are payable as follows:		
Within 1 year	1,419	2,372
Later than 1 year and not later than 5 years	1,350	2,658
	2,769	5,030

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

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

Other expenditure commitments

	2013 \$'000	2012 \$'000
Other expenditure commitments in relation to the sponsorship of events within Western Australia, the funding of Regional Tourism Organisations for intrastate marketing and other awarded contracts for operational activities that were contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	39,288	36,279
Later than 1 year and not later than 5 years	62,390	77,308
	101,678	113,587

NOTE 33. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The WATC, along with other entities, has been advised of potential litigation by RacingthePlanet in respect of the Kimberley Ultramarathon. At 6 September 2013, no claims have been made against the WATC.

NOTE 34. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 35. EXPLANATORY STATEMENT

Significant variations between estimates and actual results for 2013 and between the actual results for 2012 and 2013 are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

It should be noted that 2013 Estimate figures in the table below do not match Income Statement category estimates contained in the 2012/13 Budget Statements. Due to Tourism WA being in the Shared Services environment at the time of preparation of the 2012/13 budget paper estimates, account classifications to financial statement lines are reconfigured to match the whole of Government chart of accounts created by Shared Services. As a result, and for comparative purposes against 2013 actuals, estimates below represent the budget estimate categories after the recategorisation adjustments. The total cost of services and total income as reported in the 2012/13 Budget Statements remain unchanged.

Significant variances between estimated and actual result for 2013

	2013 Estimate \$'000	2013 Actual \$'000	Variation \$'000
<u>Expenses</u>			
Depreciation and amortisation expense	742	485	(257)
Accommodation expenses	1,300	2,067	767
Grants and subsidies	261	356	95
Advertising and promotion expenses	10,237	12,439	2,202
Other expenses	72	123	51
<u>Income</u>			
Interest revenue	250	399	149
Other revenue	809	1,733	924
Resources received free of charge	109	516	407

Depreciation and amortisation expense

The estimate was greater than actual due to depreciation/amortisation and associated funding being over-provided for in the 2013 budget following the disposal of substantial assets in 2012.

Accommodation expenses

The variance against original budget estimates is mainly due to expected savings from sub-letting part of the WATC's leased accommodation not being fully realised for the year, an increase in utilities expense and the incorrect classification of accommodation expenses associated with the WA Visitor Centre as 'Supplies and services' in the original budget estimate.

Grants and subsidies

The variance is due to grants and sponsorships paid during the year to various parties that were not part of the WATC's original budget estimates.

Advertising and promotion expenses

Advertising and promotion expenses were greater than original estimates mainly due to the introduction during the year of a Regional Tourism Marketing Program funded from Royalties for Regions.

Other expenses

Other expenses were greater due to a higher than anticipated workers' compensation premium and the recognition of a loss for the year on foreign exchange forward contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 35. EXPLANATORY STATEMENT CONTINUED

Interest revenue

Interest revenue exceeded the original estimate due to higher than anticipated interest-bearing cash balances throughout the year coupled with a conservative estimate when the budget was formulated.

Other revenue

Higher than anticipated contributions from the industry were received for domestic and international cooperative marketing activities and event-related sponsorships. The 2013 actual also includes sponsorship in-kind from various airlines that was not included in original budget estimates.

Resources received free of charge

The variance is mainly due to free data provided by the WA Land Information Authority for use by the WATC in its mobile phone application and higher than estimated procurement and accommodation services provided by the Department of Finance.

Significant variances between actual results for 2012 and 2013

	2013 \$'000	2012 \$'000	Variance \$'000
<u>Expenses</u>			
Depreciation and amortisation expense	485	428	57
Grants and subsidies	356	642	(286)
Event operations expenses	24,442	18,503	5,939
Other expenses	123	493	(370)
<u>Income</u>			
Commonwealth grants and contributions	-	3,950	(3,950)
Interest revenue	399	346	53
Other revenue	1,733	2,363	(630)
Resources received free of charge	516	1,032	(516)
Royalties for Regions Fund	10,762	5,174	5,588

Depreciation and amortisation expense

Depreciation and amortisation expense is greater due to the capitalisation during the year of assets totalling approximately \$336,000.

Grants and subsidies

The decrease is largely the result of grants paid in the prior year to transfer regional functions to various State development commissions. The transfer of functions resulted from a major restructure that saw changes in the agency's service delivery model.

Events operations expenses

The increase to events operations expenses is mainly due to a full year program of a Royalties for Regions-funded Regional Events Program.

Other expenses

The decrease is mainly the result of the recognition of a loss on the disposal of assets and an act of grace payment both of which occurred in the prior year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 35. EXPLANATORY STATEMENT CONTINUED

Commonwealth grants and contributions

Income was received from the Commonwealth in the prior year for the International Sailing Federation World Championships and for specific events held in Perth during CHOGM 2011.

Interest revenue

The increase is due to higher cash balances held compared to the prior year offset by decreasing interest rates.

Other revenue

The decrease is mainly attributed to prior year revenue including contributions from third parties towards tourism and event-related CHOGM 2011 activities and the Australian Tourism Exchange 2012.

Resources received free of charge

The decrease is the result of a drop in free data required from the WA Land Information Authority for use in a mobile phone application.

Royalties for Regions Fund

The increase in Royalties for Regions funding is mainly due to a full year Regional Events Program in 2013 as well as the commencement of a Regional Tourism Marketing Program.

NOTE 36. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 36(c) 'Financial instruments disclosures' and note 20 'Receivables'.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 36. FINANCIAL INSTRUMENTS CONTINUED

Liquidity risk

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

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

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

Market risk

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

The WATC's exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents as detailed in the interest rate sensitivity analysis table at note 36(c) 'Financial instrument disclosures'. The WATC has no borrowings outstanding at reporting date.

Currency risk

In 2012/13, the WATC policy to minimise the risks associated with foreign currency fluctuations required that in all cases where the total contracted or committed amount exceeded AU\$100,000, at least 80% of the foreign exchange exposure arising from international contracts be covered by forward purchase arrangements of the required foreign currency through the WA Treasury Corporation.

(b) Categories of financial instruments

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

	2013 \$'000	2012 \$'000
<u>Financial Assets</u>		
Cash and cash equivalents	10,328	13,539
Restricted cash and cash equivalents	891	968
Receivables ^(a)	547	316
Amounts receivable for services	6,127	5,860
Available for sale asset	167	145
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	6,309	6,964

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 36. FINANCIAL INSTRUMENTS CONTINUED

(c) Financial instrument disclosures

Credit risk

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

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

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
2013								
Cash and cash equivalents	10,328	10,328	-	-	-	-	-	-
Restricted cash and cash equivalents	891	891	-	-	-	-	-	-
Receivables ^(a)	547	542	4	1	-	-	-	-
Amounts receivable for services	6,127	6,127	-	-	-	-	-	-
Available for sale asset	167	167	-	-	-	-	-	-
	18,060	18,055	4	1	-	-	-	-
2012								
Cash and cash equivalents	13,539	13,539	-	-	-	-	-	-
Restricted cash and cash equivalents	968	968	-	-	-	-	-	-
Receivables ^(a)	316	228	86	2	-	-	-	-
Amounts receivable for services	5,860	5,860	-	-	-	-	-	-
Available for sale asset	145	145	-	-	-	-	-	-
	20,828	20,740	86	2	-	-	-	-

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

Liquidity risk and interest rate exposure

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 36. FINANCIAL INSTRUMENTS CONTINUED

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

	Interest rate exposure					Nominal Amount	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000		Up to 1 months \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
2013											
<u>Financial Assets</u>											
Cash and cash equivalents	3.26	10,328	5,000	5,239	89	10,328	10,328	-	-	-	-
Restricted cash and cash equivalents	2.89	891	-	891	-	891	891	-	-	-	-
Receivables ^(a)	-	547	-	-	547	547	547	-	-	-	-
Amounts receivable for services	-	6,127	-	-	6,127	6,127	-	-	475	1,900	3,752
Available for sale asset	-	167	-	-	167	167	167	-	-	-	-
		18,060	5,000	6,130	6,930	18,060	11,933	-	475	1,900	3,752
<u>Financial Liabilities</u>											
Payables	-	6,309	-	-	6,309	6,309	6,309	-	-	-	-
		6,309	-	-	6,309	6,309	6,309	-	-	-	-

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

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

	Interest rate exposure					Nominal Amount	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000		Up to 1 months \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
2012											
<u>Financial Assets</u>											
Cash and cash equivalents	4.27	13,539	5,500	7,964	75	13,539	13,539	-	-	-	-
Restricted cash and cash equivalents	4.00	968	-	968	-	968	968	-	-	-	-
Receivables ^(a)	-	316	-	-	316	316	316	-	-	-	-
Amounts receivable for services	-	5,860	-	-	5,860	5,860	120	-	355	1,900	3,485
Available for sale asset	-	145	-	-	145	145	145	-	-	-	-
		20,828	5,500	8,932	6,396	20,828	15,088	-	355	1,900	3,485
<u>Financial Liabilities</u>											
Payables	-	6,964	-	-	6,964	6,964	6,964	-	-	-	-
		6,964	-	-	6,964	6,964	6,964	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 36. FINANCIAL INSTRUMENTS CONTINUED

Interest rate sensitivity analysis

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

		-100 basis points		+100 basis points	
	Carrying amount \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2013					
<u>Financial Assets</u>					
Cash and cash equivalents	5,239	(52)	(52)	52	52
Restricted cash and cash equivalents	891	(9)	(9)	9	9
<u>Financial Liabilities</u>	-	-	-	-	-
Total Increase/(Decrease)		(61)	(61)	61	61

		-100 basis points		+100 basis points	
	Carrying amount \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2012					
<u>Financial Assets</u>					
Cash and cash equivalents	7,964	(80)	(80)	80	80
Restricted cash and cash equivalents	968	(10)	(10)	10	10
<u>Financial Liabilities</u>	-	-	-	-	-
Total Increase/(Decrease)		(90)	(90)	90	90

Fair values

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 37. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

Remuneration of members of the accountable authority

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

\$	2013	2012
1 – 10,000	-	1
10,001 – 20,000	1	-
20,001 – 30,000	-	2
30,001 – 40,000	6	5
40,001 – 50,000	1	1
60,001 – 70,000	1	1

	\$'000	\$'000
The total remuneration of members of the accountable authority	345	351

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

Remuneration of senior officers

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

\$	2013	2012
150,001 – 160,000	1	1
170,001 – 180,000	1	1
180,001 – 190,000	-	2
190,001 – 200,000	2	1
250,001 – 260,000	-	-
260,001 – 270,000	2	-
280,001 – 290,000	-	1
340,001 – 350,000	-	-
350,001 – 360,000	1	1

	\$'000	\$'000
The total remuneration of senior officers	1,622	1,528

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 accountable authority. Senior officers are defined as those officers who sat on the corporate executive for part or all of the financial year.

No senior officers are members of the Pension Scheme.

NOTE 38. REMUNERATION OF AUDITOR

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

	2013 \$'000	2012 \$'000
Auditing the accounts, financial statements and performance indicators	100	94

NOTE 39. RELATED BODIES

There are no related bodies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 40. AFFILIATED BODIES

Perth Convention Bureau

The WATC entered into a contract for service with the Perth Convention Bureau Inc. (PCB) for the provision of the Convention and Incentive Travel Output previously undertaken by a division of the WATC. This contract became effective 1 July 2012 and expires 30 June 2016.

The WATC controls the activities of the PCB to the extent that it provides the majority of the PCB's funding and that the PCB has contracted to submit its annual operation plan and budget for approval by the WATC prior to implementation. The PCB is not subject to operational control by the WATC. The PCB received more than 50% of its total funding from the WATC in 2012/13.

Payments inclusive of GST made to the PCB in 2012/13 totalled \$3,861,000 (2011/12: \$3,745,170).

Regional Tourism Organisations

On 1 July 2010, the WATC entered into Marketing and Services Agreements with each of the five Regional Tourism Organisations (RTOs) in Western Australia to promote and market the Region. The RTOs comprise Experience Perth, Australia's Coral Coast, Australia's Golden Outback, Australia's South West and Australia's North West. These contracts are due to expire 30 June 2015.

The RTOs are not subject to operational control by the WATC, but are required to submit their annual business plan for approval prior to implementation. All five RTOs received more than 50% of their total funding from the WATC in 2012/13.

Base payments, inclusive of GST, made to each RTO in 2012/13 were \$707,003 (2011/12: \$700,536). Total additional payments made to the RTOs in 2012/13 for other activities were \$531,213 (2011/12: \$103,384).

Western Australian Indigenous Tourism Operators Council

The WATC entered into a three-year Marketing and Service Agreement with the Western Australian Indigenous Tourism Operators Council (WAITOC) to promote Aboriginal tourism experiences in Western Australia. This contract expired 30 June 2013. A new agreement has been entered into for the 2013/14 year.

WAITOC is not subject to operational control by the WATC but received more than 50% of its total funding from the WATC in 2012/13.

Total payments, inclusive of GST, made to WAITOC in 2012/13 were \$489,896 (2011/12: \$543,400).

NOTE 41. SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-offs

	2013 \$'000	2012 \$'000
Public property written-off by the Executive Council during the financial year	-	-

(b) Losses through theft, defaults and other causes

	2013 \$'000	2012 \$'000
Losses of public moneys and public and other property through theft or default	-	-

(c) Gifts of public property

	2013 \$'000	2012 \$'000
Gifts of public property provided by the WATC	-	66

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 42. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

	Marketing		Event Tourism		Investment & Infrastructure		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
COST OF SERVICES								
<u>Expenses</u>								
Employee benefits expense	5,849	6,621	3,158	3,109	2,638	2,641	11,645	12,371
Supplies and services	16,830	18,881	2,632	2,520	3,037	2,610	22,499	24,011
Depreciation and amortisation expense	262	239	127	104	96	85	485	428
Accommodation expenses	1,379	1,136	396	454	292	373	2,067	1,963
Grants and subsidies	213	455	80	100	63	87	356	642
Event operations expenses	-	-	24,442	18,485	-	18	24,442	18,503
Advertising and promotion expenses	9,842	10,314	2,273	2,174	324	127	12,439	12,615
Other expenses	72	225	29	196	22	72	123	493
Total cost of services	34,447	37,871	33,137	27,142	6,472	6,013	74,056	71,026
<u>Income</u>								
User charges and fees	6	-	3	-	2	-	11	-
Commonwealth grants and contributions	-	42	-	3,908	-	-	-	3,950
Interest revenue	215	193	105	84	79	69	399	346
Other revenue	693	1,003	940	1,244	100	116	1,733	2,363
	914	1,238	1,048	5,236	181	185	2,143	6,659
Total income other than income from State Government	914	1,238	1,048	5,236	181	185	2,143	6,659
NET COST OF SERVICES	33,533	36,633	32,089	21,906	6,291	5,828	71,913	64,367
INCOME FROM STATE GOVERNMENT								
Service appropriation	31,401	37,990	23,998	21,230	5,387	6,194	60,786	65,414
Resources received free of charge	279	576	135	250	102	206	516	1,032
Royalties for Regions Fund	1,670	330	8,420	4,012	672	832	10,762	5,174
Total income from State Government	33,350	38,896	32,553	25,492	6,161	7,232	72,064	71,620
Surplus/(deficit) for the period	(183)	2,263	464	3,586	(130)	1,404	151	7,253

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

4.3 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 financial year ending 30 June 2013.



Howard Cearns
DEPUTY CHAIRMAN

6 September 2013



Diane Smith-Gander
COMMISSIONER

6 September 2013

4.3 KEY PERFORMANCE INDICATORS CONTINUED

The following Key Performance Indicators (KPIs) reflect the direction of the Agency and were developed in consultation with the Department of Treasury and the Office of the Auditor General (OAG). These KPIs came into effect in July 2011 and this is the second year that they have been reported on.

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

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

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

Key Effectiveness Indicators

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

Key Efficiency Indicators

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

4.3.1 KEY EFFECTIVENESS INDICATORS

4.3.1.1. Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia.

In order to build a strong market base, WA as a destination must at least meet visitor expectations, if not exceed them. This KPI measures the effectiveness of strategies being employed by Tourism WA and the tourism industry to develop and improve tourism product (including awareness, access, accommodation, amenities and attractions).

KPI 1 was achieved.

	2012/13 Target	Results		
		2012/13 Actual	2011/12 Actual	2010/11 Actual
KPI 1 Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	90%	97.7%	97.8%	96.0%

Notes:

- (i) Visitor expectations are measured through the Visitor Expectation and Experience Research.
- (ii) This is conducted through a face-to-face survey of intrastate, interstate and international visitors to WA.
- (iii) Interviewing takes place across the full year to address seasonality issues. Data is analysed and reported annually.
- (iv) The KPI measure is based on a sample size of 400 visitors for 2012/13.
- (v) This was made up of 153 intrastate, 122 interstate and 125 international visitors.
- (vi) The response rate for 2012/13 was 80%.
- (vii) The confidence interval for the sample of 400 interviews is +/-5%.

4.3.1.2. The number of inbound visitors to Western Australia, from interstate and international sources.

4.3.1.3. Western Australia's share of the international visitors to Australia

These two KPIs measure the result of successfully promoting Western Australia as a visitor destination and facilitating visitation through cooperative marketing campaigns and aviation access development. While Tourism WA does not directly control inbound visitor numbers, they are influenced by the Agency's activities.

KPI 2 was achieved. According to Tourism Research Australia (TRA) data ⁽ⁱ⁾, inbound visitors grew by 2.3%, which was attributable to higher than expected growth from the interstate market. The 2012/13 inbound visitor target was set at 1,830,000 based on a previous TRA estimate of 1,805,100 for 2011/12 (equating to +1.4% targeted growth) ^(vi).

KPI 3 was not achieved. International visitors to Western Australia grew at a slower rate (+3.4%) than that recorded nationally (+4.6%). Although growth from China and Indonesia (to Western Australia) has been strong, this is from a smaller base compared to other Australian destinations, and it has been offset by declines from other international markets such as the United Kingdom and Singapore.

	2012/13 Target	Results		
		2012/13 Actual	2011/12 Actual ^(vi)	2010/11 Actual ^(vi)
KPI 2 The number of inbound visitors to Western Australia, from interstate and international sources	1,830,000	1,872,800	1,830,900	1,819,500
KPI 3 Western Australia's share of the international visitors to Australia.	13.7%	13.4%	13.5%	12.9%

Notes:

- (i) The results of the National Visitor Survey (NVS) and the International Visitor Survey (IVS) are released by Tourism Research Australia (TRA) each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2012 in this instance). YE December information is used as it is available ahead of each year's State Budget process.
- (ii) The NVS figures are based on a large scale telephone survey of Australians at home, while the IVS figures are based on interviews with international tourists at airport departure lounges across Australia.
- (iii) Overnight Domestic Visitors Definition: Australian residents aged 15 years and over who spent at least one night away from home in Western Australia.
- (iv) Overnight International Visitors Definition: International visitors aged 15 years and over who spent at least one night in WA.
- (v) Visitors include those travelling for leisure, business, visiting friends and relatives and education.
- (vi) TRA has made methodology improvements to the NVS and IVS, and in March 2013, issued revised data back to 2003. The revisions affect visitor estimates previously audited and reported for KPIs 2 and 3 for 2011/12 (YE Dec 2011) and 2010/11 (YE Dec 2010). Previously reported estimates: for KPI 2 were 1,805,100 and 1,784,500; and for KPI 3 were 13.6% and 12.7%.

Visitors

- (vii) Sample size for Western Australia visitors domestic is 4,059 and international is 6,595.
- (viii) Sample size for Australia visitors domestic is 34,587 and international is 40,357.
- (ix) Confidence intervals for Western Australia visitors domestic is +/-1.5%, and international is +/-1.2%.
- (x) Confidence intervals for Australia visitors domestic is +/-0.5% and international is +/-0.5%.
(These confidence intervals are calculated by Tourism WA based on total sample sizes.)
- (xi) The response rate for the International Visitor Survey is 68% and the National Visitor Survey is 40%.

4.3.1.4. Value of cooperative marketing funds provided by the tourism industry

This KPI measures Tourism WA's success in encouraging the tourism industry to integrate into the State Government's destination marketing activities, thereby achieving greater leverage of government funding and better outcomes for the State's tourism industry.

Tourism WA allocates a sum of money each year that is available to industry when they participate in cooperative marketing campaigns, where the tourism operator and the agency match funds on the campaign. The industry operator also uses the Experience Extraordinary branding as part of the agreement. This KPI details the amount of money that the tourism industry puts into marketing campaigns, alongside the Agency's funds. This cooperative marketing approach provides significant benefits for the destination and the Western Australian tourism industry generally.

KPI 4 was achieved.

	2012/13 Target	Results		
		2012/13 Actual	2011/12 Actual	2010/11 Actual
KPI 4 Value of cooperative marketing funds provided by the tourism industry	\$4.3 million	\$5.96 million	\$5.22 million	n/a

Notes:

Domestic Cooperative Marketing

- (i) The Domestic cooperative marketing program targets airlines, wholesalers, retailers, direct sell agents, and more recently online travel agents to undertake joint campaigns with Tourism WA for WA product.
- (ii) An Expression of Interest (EOI) process is undertaken by the Domestic Marketing team at Tourism WA each year to secure relevant trade partners in cooperative campaign activity. For those partners approved for funding, Tourism WA shares the brand campaign strategy and media buy details to allow partner alignment where possible with WA brand bursts. Domestic Marketing leverages the distribution partner relationships across a number of campaign platforms including niche digital marketing (WA landing pages), EDM, sharing of rich media assets, trade communications and incentives (retail agents), social marketing, destination content and PR strategies, holiday deals on westernaustralia.com

International Cooperative Marketing

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

KEY EFFICIENCY INDICATORS

4.3.1.5. Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend.

This KPI measures how much it costs government in Destination Marketing and Tourism Investment and Infrastructure spend for every \$1 spent by visitors in Western Australia.

This KPI was achieved. A target for this KPI was not included in the 2012/13 State Budget Papers. On 3 August 2012 a target of 1:164 was approved by the Board of Tourism WA, based on available data ^(v).

	2012/13 Target	Results		
		2012/13 Actual	2011/12 Actual ^(v)	2010/11 Actual
KPI 5 Ratio of Tourism WA's Destination Marketing and Tourism Investment and Infrastructure Spend to Visitor Spend	1 : 164	1 : 188	1 : 161	n/a

Notes:

- (i) The results of the National Visitor Survey (NVS) and the International Visitor Survey (IVS) are released by Tourism Research Australia (TRA) each quarter and figures are reported for the latest 12 month period (i.e. Year Ending (YE) December 2012 in this instance).
- (ii) The NVS figures are based on a large scale telephone survey of Australians at home, while the IVS figures are based on interviews with international tourists at airport departure lounges across Australia.
- (iii) Spend information is sourced from the Tourism Expenditure Research Program, provided by Tourism Research Australia. The expenditure figures are based on responses from the National and International visitor surveys for the visitor's entire trip. The Regional Expenditure model allocates visitor expenditure to specific tourism regions to determine spend estimates for each of Australia's states.
- (iv) YE December information is used as it is available ahead of each year's State Budget process.
- (v) TRA has made methodology improvements to the NVS and IVS, and corrections to visitor expenditure estimates, and in March 2013, issued revised data back to 2003. The revisions affect visitor spend estimates previously audited and reported for KPI 5 for 2011/12 (YE Dec 2011) and 2010/11 (YE Dec 2010). The previously reported figure for KPI 5 was 1:149 based on a visitor expenditure estimate of \$6.27 billion.

Visitor Spend

- (vi) Sample size for Western Australia domestic is 3,688 and international 5,123.
- (vii) Sample size for Australia domestic is 31,222 and international 42,556.
- (viii) Confidence intervals for Western Australia domestic is +/-1.6% and international +/-1.4%.
(These confidence intervals are calculated by Tourism WA based on total sample sizes.)
- (ix) Confidence intervals for Australia domestic is +/-0.6% and international +/-0.5%.
(These confidence intervals are calculated by Tourism WA based on total sample sizes.)
- (x) The response rate for the International Visitor Survey is 68% and the National Visitor Survey is 40%.
- (xi) The KPI calculation is:
Visitor Spend ÷ Destination Marketing and Tourism Investment and Infrastructure Spend

4.3.1.6. Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events.

This KPI measures how much it costs government in event spending for every \$1 of media impact and economic impact as a direct result of the events sponsored by Tourism WA.

KPI 6 was achieved. A target for this KPI was not included in the 2012/13 State Budget Papers. On 3 August 2012 a target of 1:6.33 was approved by the Board of Tourism WA, based on available data.

	2012/13 Target	Results		
		2012/13 Actual	2011/12 Actual	2010/11 Actual
KPI 6 Ratio of Tourism WA's Event Spend to the Value of Direct Economic and Media Impact Generated by Events	1 : 6.33	1 : 8.09	1 : 10.35	n/a

Notes:

Direct Economic Impact

- (i) Direct Economic impact is defined as the amount of new money that enters the WA economy as a direct result of an event (i.e. the money would not enter the economy if the event was not held). That is any event related spend in the State by non-WA individuals and organisations, minus any spend outside of the State by WA individuals and organisations. For events held in the State specifically for Western Australians to attend, an independent measure of the local economic activity generated by the event is determined. This represents the amount of event-related spend by WA individuals that flows through the WA economy.
- (ii) The two measures used to determine direct economic impact are as follows:
State Economic Impact (SEI) – money into the State economy (inbound measure, interstate and international – including participants, spectators and organisers.)
Regional Economic Impact (REI) – money into the region / moving around the State economy (intrastate measure.)
- (iii) SEI and REI are mutually exclusive because they are applied to different events. No event has both SEI and REI applied to it.

Media Impact

- (i) **Media Impact (MI)** is defined as the dollar value of Western Australian tourism imagery and branding (including video postcards of WA tourism destinations, verbal commentary mentions about the destination, on-screen graphics and signage) integrated into television production related to the events. It is measured by independent media evaluation companies. Media impact is only measured where exposure is secured in one or more of Tourism WA's markets. The majority of television product secures significant exposure in a broad-range of markets outside of Tourism WA's identified priorities. In line with the rest of the Agency, 100% of the Advertising Equivalent Value (AEV) is counted.
- (ii) The KPI calculation is:
 $((SEI \text{ or } REI) + MI) \div \text{Event Spend}$
- (iii) The economic and media impact is based on the most current and relevant research for the event. In some cases, this research may be from prior periods.

4.4 MINISTERIAL DIRECTIVES

Section 16 (2) of the *Western Australian Tourism Commission Act* requires that the text of any written directions from the Minister are to be recorded in the Annual Report. There were no such directions received in 2012/13.

4.5 OTHER FINANCIAL DISCLOSURES

4.5.1 CAPITAL WORKS

Tourism WA continued its Asset Replacement Program during 2012/13. This includes replacing information and communication technology equipment and further developing the agency's digital assets by improving the functionality and features of our websites, mobile applications and social media presence. New items added to the program this year included the Shared Services decommissioning and Brand films.

4.5.3 EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

Classification	2012	2013				
	FTE's 2012	FTE	Males %	Females %	Males	Females
L9 & above	4	5	80.0	20	4	1
Level 8	12.9	14.8	47.3	52.7	7	7.8
Level 7	11	9.1	65.7	34.3	6	3.1
Level 6	24.2	20.4	34.3	65.7	7	13.4
Level 5	17.7	20.7	24.2	75.8	5	15.7
Level 4	13	8	37.5	62.5	3	5
Level 3	11	9	0	100	0	9
Level 2	2.6	1.6	0	100	0	1.6
Level 1	0	0	0	0	0	0
Overseas	4	5	80.0	20	4	1
Total	100.3	93.6	38.5	61.5	36	57.6

Notes: As at June 30 2013. Data excludes casuals, employees seconded-out not paid by Tourism WA, employees on unpaid parental leave and leave without pay and seconded-in personnel not paid by Tourism WA. Data includes seconded-in personnel paid by Tourism WA and employees on half paid parental and other leave.



STAFF DEVELOPMENT

Human Resources regularly reviews corporate policies and procedures, including recruitment and selection practices.

Highlights for 2012/13 include:

- As a result of decommissioning from Office of Shared Services during 2013, payroll and other human resource functions are now managed by Tourism WA.
- Tourism WA's Workforce and Diversity Plan 2013 - 2014 has been developed and provides for further research and consultation in the coming year.
- Development of a training calendar to assist with individual training and development as identified by manager and employee within local work units.
- Conducted the Accountable and Ethical Decision-Making Program for Tourism WA staff. This training is part of an ongoing commitment to provide employees with information about accountability requirements to better equip them to deal with situations/issues that they may encounter.
- Supported secondments both within Tourism WA and to other WA public sector agencies, providing employees with the opportunity to gain on-the-job knowledge and experience in a different working environment and supporting the capability of the public sector.
- Continued to provide opportunity to all employees to attend Occupational Safety and Health training, and First Aid training.

WORKERS' COMPENSATION

Tourism WA continues a practical claims management approach of focusing on injury management and rehabilitation. As at June 30 2013, one workers' compensation claim was lodged resulting in two days of lost time.

Tourism WA's Injury Management Policy and Guidelines were reviewed during 2012/2013 and are made available to on the intranet, along with other information regarding worker's compensation claims. Advice and support is also provided by Human Resources on an individual basis following the reporting of any occupational safety and health incidents.

4.6 GOVERNANCE DISCLOSURES

SHARES IN ANOTHER BODY

Tourism WA has shares in the Australian Tourism Data Warehouse Pty Ltd. Details are provided at Note 23 of the Financial Statements.

SENIOR OFFICER INTERESTS

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

Senior Officer	Position Held	Supplier	Total Amount
Peter Prendiville	Commissioner	BP Norseman	34.40
		Cottesloe Beach Hotel	1,057.00
		Sandalford Wines Pty Ltd	5,473.23
Howard Cearns	Commissioner	Little Creatures Brewing Pty Ltd	70.50
Al Donald	Commissioner	Herbert Smith Freehills	402.36
Jane McKeon	Commissioner	Virgin Blue Airlines Pty Limited	9,857.49
Neville Poelina	Commissioner	WAITOC Association Incorporated	489,896.00
		Uptuyu Aboriginal Adventures	3,750.00
Nathan Harding	Commissioner	Australian Tourism Export Council	34,054.62
		Discover West Holidays	242,000.00

4.7 OTHER LEGAL REQUIREMENTS

ADVERTISING

Expenditure on advertising, market research, polling and direct mail

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

	2012/13 \$'000
(a) Advertising agencies	4,073
(b) Market research organisations	1,967
(c) Polling organisations	-
(d) Direct mail organisations	-
(e) Media advertising organisations	3,857
	9,897
(a) Advertising agencies	
Big Head Digital	7
Digital Dialogue Media Pty Ltd	3
Host Consult Pty Ltd	4,024
Micromedia Advertising-Design	39
	4,073
(b) Market research organisations	
ACA Research	19
AEC Group Limited	77
Australian Bureau of Statistics	1
Buzz Marketing	17
Department of Resources Energy and Tourism	436
Hitwise Pty Ltd	68
ICS Multimedia	33
Investment Property Databank Pty Limited	6
Ipsos Australia Pty Ltd	96
KPP Business Development	207
Metrix Consulting Pty Ltd	220
Phocuswright Inc	4
Pracsys Management Systems	6

	2012/13 \$'000
(b) Market research organisations continued	
Repucom Pty Ltd	293
Research Panel Pty Ltd	58
Roy Morgan Research Pty Ltd	66
Taylor Nelson Sofres Australia Pty Ltd	29
TRC Tourism Pty Ltd	157
VCubed Pty Ltd	13
West Coast Field Services	18
Zubini Marketing & Management Pty Ltd	143
	1,967
(e) Media advertising organisations	
Adcorp Australia Limited	27
Akamai Technologies Netherlands B.V.	121
Big Head Digital	7
Bishop Media	3
Deal Group Media Pty Limited	361
Identity Creative	70
Key2Creative Pty Ltd	84
Media Equation Pty Ltd	10
Mitchell and Partners Australia Pty Ltd	3,152
Pointer Publishing Pty Ltd	2
Seatrade Communications Limited	16
Travmedia.Com Pty Ltd	4
	3,857

RECORD KEEPING PLAN

The *State Records Act 2000* requires Tourism WA to have a Record Keeping Plan and to comment in the Annual Report on compliance with the plan.

Tourism WA's Record Keeping Plan was recently updated, endorsed by the Executive Management Team, and then approved by the State Records Advisory Committee, along with the Record Retention and Disposal Authority and Record Keeping policies. The function of the State Records Advisory Committee is to endorse Agency record keeping plans for State Records Commission approval.

A compliance audit program is in place to audit Tourism WA against the Record Keeping Plan every two years. Tourism WA continues to promote effective record keeping practices internally and provides numerous training sessions depending on user requirements.

Under Section 28 of the *State Records Act 2000*, no more than five years must elapse between the Record Keeping Plan and its review. The current Record Keeping Plan applies until 2017.

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

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

The management of Tourism WA employees is undertaken in accordance with public sector standards in human resource management and approved public sector policies and procedures.

Compliance with Public Sector Standards and Ethical Codes 2012/13

Compliance area	Compliance issues	Significant action taken to monitor and ensure compliance
Public sector standards	0 breach claims	Human resource recruitment consultants continue to be used for all long-term and permanent selection processes and the subsequent reports are reviewed by the internal human resource work unit before consideration by senior line management.
WA Code of Ethics	0 reports of non-compliance	WA Code of Ethics is part of employees' induction materials and is also accessible from Tourism WA's intranet.
Agency Code of Conduct	0 reports of non-compliance	Tourism WA's Code of Conduct, reviewed and updated in 2012/2013, is part of employees' induction materials and is also accessible from Tourism WA's intranet.

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

Tourism WA's Disability Access and Inclusion Plan (DAIP) was updated in 2011 in accordance with the legislative framework. The seven desired outcomes are supported with strategies to address the gaps identified in meeting the legislative requirements which are also informed by the review and consultation undertaken in preparation of the plan.

During 2012/13, the following activities were progressed:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tourism WA's recruitment and employment policies and practices reflect the aim of having a diverse workforce. Tourism WA also conducts a diversity questionnaire of staff to capture accurate demographic and disability data.

4.8 GOVERNMENT POLICY REQUIREMENTS

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Tourism WA is committed to providing a safe and healthy work environment for all its employees, contractors and visitors. Executive commitment to Occupational Safety and Health (OSH) and injury management is regularly emphasised through email communication to all staff as well as discussions at regular all staff snapshot sessions. Tourism WA's intranet has a newly developed page for OSH and injury management, making information available in one place.

The Occupational Safety and Health Committee, including the employee representatives, form the key to occupational safety and health consultation within Tourism WA. The members are accessible and effectively utilised by both management and employees in the discussion and resolution of occupational safety and health issues.

An independent Occupational Safety and Health Audit was completed in mid-2013, using the Australian Standard ASNZ4801:2001 for Occupational Health and Safety Management Systems.

Recommendations from this audit are being implemented and will be incorporated in a new OSH plan in the coming year.

To assist managers and supervisors in developing knowledge of their injury management and occupational safety and health responsibilities, Tourism WA provided a half day Occupational Safety and Health course, which has now been extended to all staff.

During 2012/2013, Tourism WA reviewed its Injury Management Policy and Guidelines, ensuring they meet with the requirements of the *Workers' Compensation and Injury Management Act 1981*. The guidelines identify that return-to-work programs are developed in accordance with the Act. The policy and guidelines are available to staff on the intranet. Tourism WA's Injury Management system was included in the scope of the independent OSH Audit.

Tourism WA continues to provide and promote access to a free and confidential employee assistance program, designed to support employees and their immediate family members on work or personal issues impacting them.

Performance indicators for 2012/2013

	Target	Actual
Number of fatalities	0	0
Lost-time injury/diseases (LTI/D) incidence rate	0	1
Lost-time injury severity rate	0	0
Percentage of injured workers returned to work within i. 13 weeks and ii. within 26 weeks.	Greater than or equal to 80% return to work within 26 weeks	100% 100%
Percentage of managers trained in occupational safety, health and injury management responsibilities.	80%	71%
Percentage of all staff trained in occupational safety, health and injury management responsibilities.	0%	51%



PUBLICATIONS

Tourism WA produces a wide range of publications that are available for download at www.tourism.wa.gov.au

HOW TO CONTACT US

Perth Head Office
Level 9
2 Mill Street
PERTH WA 6000
GPO Box X2261
PERTH WA 6847

Tel: +61 8 9262 1700
Fax: +61 8 9262 1735
Email: info@westernaustralia.com

