WA STATE TOURISM STRATEGY 2020

This report has been prepared for submission to Parliament under the provisions of section 25 of the Auditor General Act 2006.

Performance audits are an integral part of the overall audit program. They seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed the effectiveness of the development and implementation of the State Government Strategy for Tourism in Western Australia 2020.

I wish to acknowledge the staff at Tourism WA for their cooperation with this audit.

COLIN MURPHY
AUDITOR GENERAL
30 November 2017
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Auditor General’s overview

Tourism represents a major opportunity for Western Australia in terms of revenue and jobs. The State Tourism Strategy 2020 was intended to realise that opportunity by growing visitor numbers and doubling tourism spend to $12 billion a year.

Much has been done and growth has been achieved. However, delivery on the strategy has not been consistent enough to stay on track to hit the overall target, with forecasts of an $800 million shortfall.

There is still time for Tourism WA to achieve its goal, although it will be challenging. My recommendations are intended to help Tourism WA meet that challenge and be well positioned, in a highly competitive market, to implement the next strategy, and realise the amazing potential in WA.
Executive summary

Introduction

Tourism delivers a range of cultural and economic benefits to the community. This audit focuses on the development and implementation of the State Government Strategy for Tourism 2020.

While many agencies and industry are involved in the achievement of tourism related outcomes, the audit focuses on the performance of Western Australian Tourism Commission (Tourism WA). Recent machinery of government changes led to the amalgamation of Tourism WA into the Department of Jobs, Tourism, Science and Innovation. In this report we refer to the entity as Tourism WA.

Background

Tourism contributes a significant amount to the WA economy. In the year ending 31 March 2017, 19.35 million trips were taken within the state by Western Australians and there were 10.4 million overnight visitors to the state. All visitors, which includes international, interstate, intrastate and day trippers combined, spent $10.14 billion in WA, and $4.7 billion of this was spent in regional areas.

In 2010, the federal government agency Tourism Australia released a national strategy setting a whole of government target of doubling Australia’s tourist spend to $115 billion by 2020.

Tourism WA subsequently led the development of the WA Tourism 2020 strategy which was released in December 2012. The strategy describes 7 strategic ‘pillars’ for growth, linked together by ongoing operations, to help deliver WA’s strategy goal of doubling tourism spend from $6 billion in 2010 to $12 billion by 2020.

Figure 1: The Tourism Strategy 2020 strategic pillars
Three phases were established for the strategy:

- Setting the Foundation (2012-14) – generating investment in tourism infrastructure
- Gaining Momentum (2014-17) – increasing leisure and business visitation
- Achieving the Potential (2018-20) – getting visitors to stay longer, do more and disperse further when they visit.

The strategy emphasises the importance of partnership given the role of Tourism WA as a lead agency and the number of stakeholders involved in delivery (see stakeholder diagram in Appendix A), as described by the vision statement:

*Through partnership between private sector and government, the State tourism industry will achieve its full potential by delivering against the tourism brand promise.*

Visitors, as described in the strategy, include those travelling for the purpose of visiting friends and relatives, business, work, education and medical services. The tourism industry or sector that services this includes industries that directly serve visitors, such as hotels, transport providers, tour companies and attractions. It also includes intermediaries and those involved indirectly, such as retail and food production. Visitor activity contributes to investment and jobs across a range of industry sectors.

Tourism WA has been operating as a statutory authority since 1983 and has been under the same governance structure since the introduction of the WA Tourism Commission Act 1983. Tourism WA has a governing board and the CEO of the organisation is accountable to the Board.

The tourism portfolio experienced a number of changes in 2017. As part of machinery of government changes it amalgamated with other agencies to form the Department of Jobs, Tourism, Science and Innovation (DJTSI). It will need to consider the implications of the new organisational structure on governance arrangements. The CEO reports to both the Tourism Board and the Minister for Tourism.

Another change involved the way funding is provided. The government has committed to $425 million over the next 5 years of untied funding. Previously funding was allocated to specific programs. This has been publicly stated as a way of providing the Board with greater flexibility to use funds as needed and to plan ahead.

In 2016-17, Tourism WA received $90.6 million in funding: a $65.4 million appropriation plus $25.2 million in Royalties for Regions funding. In 2017-18, the appropriation has increased to $99 million, with Royalties for Regions funding of $21.4 million from 2017-19. Tourism WA focuses on the following priority areas, each of which provide funding to other organisations to deliver strategy outcomes:

- **Marketing** – almost half of its funding and more than half of its employees deliver media campaigns, public relations and digital marketing. Tourism WA has focused on interstate and international marketing for leisure tourists with international markets including China, India, UK, US, Singapore, New Zealand, Malaysia, Japan, Indonesia, Hong Kong and Germany. It also funds local marketing initiatives by regional tourism organisations (RTOs). It funds 5 RTOs a total of $3.8 million each year.

- **Event sponsorship** – just over one-third of funding is allocated to this priority area. Events are a way to raise the profile of WA and attracting leisure tourists for short stays. Tourism WA has supported high profile events like the Hopman Cup and the Margaret River Gourmet Escape as well as a range of smaller events. Tourism WA provides $4 million per year to the Perth Convention Bureau (PCB) for business events and marketing.
• **Destination development** – this is a key program intended to help tourism numbers increase by providing tourism infrastructure. For example, increasing the number of hotel rooms and airline and cruise capacity. Tourism WA also funds the Western Australian Tourism Council (TCWA) to help address skill gaps by funding $175,000 per year for service staff training over 3 years.

**Audit conclusion**

Although the Tourism 2020 strategy was soundly based, Tourism WA is not clear if its goal of doubling visitor spend to $12 billion by 2020 will be met. One set of projections suggest that there could be shortfalls of at least $800 million of the planned $6 billion increase.

A range of initiatives have been delivered, but performance across the strategy has not been consistent enough for it to deliver all the planned increases in visitor numbers. Tourism WA needs to pick up on underperformance quickly and effectively re-prioritise initiatives. Information needs to be used more effectively to identify and deliver initiatives that have the greatest impact. Better engagement and collaboration with partners could have helped deliver strategy outcomes earlier.

There is still time to achieve the strategy goal but this will be challenging given some areas that have not been delivered on, and the recent economic downturn. In the short term, Tourism WA will need to deliver priority initiatives and to make sure it is using funding for greatest impact. In the longer term, and looking to the next strategy, Tourism WA needs to learn from implementation of this strategy and consider the business model that is best suited to delivering agile and appropriate responses in a challenging commercial market.

**Key findings**

**Despite a good plan and various initiatives, inconsistent delivery led to delays in attracting more international and interstate visitors**

The Tourism 2020 strategy provided a sound blueprint, based on wide consultation and robust data to enable the sector to double visitor spend to $12 billion in 2020. Since 2010, Tourism WA has received almost $800 million in total funding.

Tourism WA has worked with partners to deliver a range of initiatives, particularly in the first phase of the strategy ‘setting the foundation’. This included facilitating public and private infrastructure investment relating to increasing the number and affordability of Perth hotels, changes to liquor licensing regulations, and stadium development.

Despite delivering a number of initiatives, it is likely that the key visitor spending target will fall short of the 2020 goal. Tourism WA has not delivered on phase 2 of the strategy ‘building momentum’ as it has not achieved a sustained increase in visitation growth from interstate and overseas.

Without rapid and significant improvement, it is unlikely the strategy goal will be met in 2020 due to delays in achieving the phases. Specifically:

- **Insufficient growth in visitor spend, particularly for international visitors**: International visitor spend has consistently not met capitalised annual growth targets since the start of the strategy (Figure 3). The amount of spending from interstate and intrastate visitors has not met annual targets in several years.

- **Lack of marketing strategy**: Tourism WA has not demonstrated adequate strategic marketing plans and analysis of marketing performance to invest in those activities that have the greatest impact. This is despite Tourism WA investing heavily in marketing with half of all staff involved, and $42 million of the $91 million budget. Tourism WA has recently drafted a marketing plan which has not yet been finalised.
- **Not yet delivered new events**: Tourism WA has not yet ensured delivery of 4 to 5 new hallmark events in Perth. These events were planned to attract large numbers of inbound visitors. It is crucial that Tourism WA works closely with industry partners to ensure that a future program of events maximises visitation to WA.

**Tourism WA did not record, analyse and report information effectively to support its delivery of the strategy**

Tourism WA’s recordkeeping and reporting practices do not support the effective review of Board and Executive Management decisions and the impact on business outcomes. Our review of documentation showed that often minutes did not detail discussions informing key decisions. This lack of transparency makes it difficult for Tourism WA to assess its performance. Since this audit Tourism WA has commenced keeping more extensive minutes of strategic meetings.

A lot of data was collected and a range of existing performance monitoring reports are provided to the Board. However, each year different indicators are reported on in different formats with a lack of comparable indicators reviewed over time. This means that the Board did not place itself in a position to identify and address ongoing issues and tended to respond reactively to concerns.

Tourism WA cannot demonstrate that it is using sponsorship dollars in the best way or show the overall impact of funding decisions. Tourism WA have delivered many activities, which have had a positive effect. What is critical to overall success is early recognition of those areas and projects which are not performing well. Rapid responses to cease underperforming initiatives and redirecting funding may improve overall effectiveness. Some events have been sponsored for almost 20 years without significant review.

The overall process for event sponsorship and management was appropriate. Because the Board approved events one at a time, and evaluation information was not consistently presented and not always viewed by the Board, it was hard for them to have an overall view of the effectiveness of the events program.

There has been no formal assessment of whether the current arrangements for delivering tourism outcomes is most suited to the current competitive environment. The governing legislation was last reviewed in 1994. This was not an overarching review of the overall effectiveness of the Commission. Given the dynamic and often commercial nature of tourism operations, a review prior to the next strategy would identify whether the existing model ensures Tourism WA is well placed to compete with other tourism bodies.

**Opportunities to increase visitor numbers were missed because of challenges with collaboration**

The 2020 strategy did not clearly articulate the role of, or targets agreed to by, the partnering agencies (See Attachment A for further description of partner agencies). This has contributed to key initiatives being delayed or not delivered, for example:

- **Business and regional travel**: Performance against these pillars of the strategy was to be achieved by funding others and Tourism WA saw itself as just an advocate for achieving these outcomes. Unless Tourism WA works closely with these partners to achieve the outcomes it increases the risk of under-achieving against 2 of the strategic pillars.

- **Industry readiness**: While the workforce has been increasing in size, there are concerns that the capability of the tourism workforce is unlikely to be at a level that will support achievement of strategy outcomes. Tourism WA does not currently collaborate with industry extensively to help address this other than to fund the Tourism Council of WA. Not having a focus on building workforce capacity could critically undermine
achievement of the final phase of the strategy, as poor visitor experiences could lead to reduced repeat visits and length of stay.

- **Aboriginal tourism:** Tourism WA delivered a range of activities to improve Aboriginal tourism experiences. Demand has been increasing to almost three-quarters of all visitors wanting an Aboriginal tourism experience, but most visitors are still not accessing them. More effective engagement with industry still needs to take place for more visitors to start experiencing Aboriginal tourism experiences. Tourism WA is taking steps to better understand how existing Aboriginal tourism products can adapt for new markets to address these concerns.

- **Red tape reduction:** Partners reflected that it was difficult for tourism businesses to work with government agencies to grow and deliver new products. Tourism WA did not demonstrate a strong focus on working with other government agencies to reduce red tape for tourism businesses.

### Recommendations

1. **To maximise gains from the 2020 strategy, by June 2018 the Western Australian Tourism Commission (Tourism WA) should:**
   - develop more structured ways of engaging with partners to respond to opportunities
   - improve how it monitors and reports on strategy implementation
     - review progress regularly and improve how it uses targets to drive organisational planning
     - improve recordkeeping in relation to project outcomes and Board and executive meetings
   - improve how it prioritises activities to respond to evaluation information and changing market conditions.

2. **By 2020, Tourism WA should:**
   - consider a review of the current business model to ensure Tourism WA can respond in agile and adaptive ways to changing market conditions.

3. **For the 2030 strategy, Tourism WA should:**
   - develop more specific targets and timeframes to support the 2030 strategy
   - improve accountability for delivery against targets across partners including contracted agencies.
Response from the Department of Jobs, Science, Tourism and Innovation

Tourism Western Australia, now as part of the larger portfolio of Jobs, Science, Tourism and Innovation, will closely review the Auditor General’s report, with a view to building on our efforts to increase visitor numbers and spend in Western Australia.

The goal of the WA State Tourism Strategy is to see the value of tourism double from $6 billion in 2010 to $12 billion in 2020. Currently, yearly visitor spend in WA is $10.1 billion, which means we need to see an increase in visitor spend of $2 billion over the next three years to meet the goal.

The report suggests that under the strategy Tourism WA will achieve an 86.7% increase in visitor spend between 2010 and 2020, rather than the ambition of 100% as expressed in the strategy.

During the early phase of the strategy hotel rooms and plane seats were relatively full due to historic levels of mining investment. This has seen a slowing down in recent times. Nevertheless, Tourism WA, will work hard in partnership with industry and other key agencies to elevate the $10.1 billion current spend to $12 billion over the next three years.

Tourism WA is currently refining the strategy for the longer term, and incorporating a short term action plan. This work is greatly assisted by the funding certainty and flexibility afforded to Tourism WA in the current State Budget. Tourism WA is committed to using the best available information to extract the maximum benefit from the tourism budget.

Our strategy to increase the number of hotel rooms in Perth has been successful with 3,300 new rooms either already built or due for completion next year. Added to that is a raft of new city infrastructure including Elizabeth Quay, Perth Stadium, Yagan Square and upgrades to the Scarborough foreshore, all of which will make Perth a more attractive leisure destination. The new hotel rooms also make Perth a better value proposition following years of a lack of accommodation and high hotel room costs due to high business demand fuelled by the mining sector.

Correcting the lingering perceptions on the east coast that WA is too far away, too expensive and has a scarcity of hotel rooms, remains a challenge. Although it is clear efforts to entice holiday makers from key international markets are paying off with a marked uplift in international leisure visitors in 2016-17.

Tourism in Western Australia is recognised as a major economic contributor, not only in terms of visitor spend, but also employment. The industry currently generates around 109,000 jobs, or eight per cent of WA’s workforce, compared to 85,000 when the strategy was released.

Tourism WA remains committed to working with our partners to increase visitor numbers and spend for the benefit of all Western Australians.
Audit focus and scope

In this audit we assessed how well Tourism WA developed and implemented the WA State Tourism Strategy 2020.

Out of scope were other government agencies involved with delivering tourism related outcomes (see Appendix A for a full list of all agencies involved). Any tourism related outcomes not covered by the strategy were also excluded from the scope, for example student related tourism which is managed by StudyPerth and the Department of Education Services.

We focused on 2 lines of inquiry:

1. Was the Tourism 2020 strategy soundly based, clear and well supported?
2. Did Tourism WA deliver activities to meet the Tourism 2020 strategy goal, outcomes and targets?

The methodology included both quantitative and qualitative methods:

- interviews with Tourism WA staff
- interviews with key stakeholders
- review of key agency documents and other relevant material (electronic and hardcopy)
- analysis of agency data, including reports commissioned by Tourism WA and conducted by consultants
- analysis of agency administrative and financial information.

This performance audit was conducted under section 18 of the Auditor General Act 2006 and in accordance with Australian Auditing and Assurance Standards. Performance audits primarily focus on the effective management and operation of agency programs and activities. The approximate cost of tabling this report is $320,000.
Audit findings

Despite a good plan and various initiatives, inconsistent delivery led to delays in attracting more international and interstate visitors

The strategy provided a sound blueprint to achieve the goal of doubling visitor spend by 2020

The strategy was a sound guiding document for Tourism WA and the tourism sector. It was released in 2012 after 2 years of development involving consultation with a range of tourism industry representatives and government agencies. A total of 47 different tourism-related organisations were consulted or participated in workshops to help inform the strategy. This ensured that the strategy could be used by a variety of partners for planning purposes.

The strategy goal was clear and achievable. It was based on a realistic level of annual growth and aligned with the national target of doubling visitor spend by 2020. The growth rates used to develop the goal were based on a number of infrastructure projects being completed. The outcomes described for each of the strategy pillars aligned with similar areas of focus in other states and territories.

The strategy was well supported by reliable information including statistical modelling and research. A number of sources of data were analysed to understand key trends affecting the sector. These were sourced from internal surveys, Tourism Research Australia, and other government agencies. Tourism WA also engaged a consulting firm to model the economic impact of infrastructure projects and understand the barriers to growth.

A range of initiatives have been implemented, but others have not been delivered on time, making it less likely that the strategy goal will be met

Tourism WA has delivered some initiatives described in the strategy which have had positive outcomes during phase 1, particularly in the areas of improving hotel room availability and cost. Some of the pillar outcomes for phase 1 were not delivered in relation to indigenous tourism, workforce and aviation industry development.

For phase 2, it was expected that between 2014 and 2017 strategy outcomes relating to increasing international visitors from Asian markets, increasing business visitors and delivering a program of new events would have been delivered. This has not been fully achieved, with ongoing underperformance in the international visitor market. Also 4 to 5 new events have not been delivered as planned since the strategy started.

In 2016, Tourism WA engaged 2 consulting firms to advise whether the strategy goal of doubling visitor spend would be achieved by 2020. Two forecasts were developed using projections based on either 5 years of data (low growth levels) or one year of data (medium growth levels). Both forecasts predicted that the goal would not be reached. Tourism WA provided the Board with information on revised targets or the ‘aspirational growth’ that was needed for the remainder of the strategy to ensure that the goal would be achieved.

Tourism WA believed the aspirational growth forecast was possible, and likely, based on the delivery of priority initiatives. Tourism WA predicted that the highest rates of growth would be in the final years of the strategy. However, this depended on delivery of critical initiatives and infrastructure projects which have been delayed or not delivered. It is not certain whether these high rates of growth will be seen over the next 2 years of the strategy.
Interstate, intrastate and daytrip visitor markets have declined and international markets have underperformed for the length of the strategy. The low growth forecast appears to be more likely based on past performance and this is $800 million below the target figure, or 13.34% of the target increase. It is possible that the gap may be larger if recent trends in these markets continue.

Tourism WA restructured the organisation shortly before developing the strategy to help focus on 3 priority areas: marketing, events sponsorship and destination development.

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*Figure 2: Level of funding and staffing (full time equivalents) for each program area in Tourism WA, 2016-17*

Marketing is the main focus of Tourism WA with more than half of the program budget (Figure 2), and is described as a key driver of growth in visitor numbers or ‘demand attraction’. Sponsoring events takes up a third of the program budget, and is a way of creating an appealing destination, attracting more visitors and raising the profile of WA. Destination development has the smallest proportion of the budget, and delivers ‘supply side’ initiatives, which ensure that visitors have easy ways of getting here and attractive accommodation options for their stay.

Tourism WA did not structure the funding of its program areas to align with and reflect the priorities described in the phases of the strategy. While phase 1 was about ‘supply’ and phase 2 was about ‘demand’ activities, Tourism WA did not reflect this in its resource allocation. Both supply and demand initiatives have been funded through both phases. This may have impacted its ability to deliver all of the supply side initiatives planned first, and to focus on demand initiatives in phase 2.

**Growth in international, interstate, intrastate and daytrip visitor market spend has generally been low**

The required rate of annualised visitor spend growth that would be needed to meet the strategy goal has generally not been reached. These annualised growth rates are described in our diagrams as ‘target growth’ (Figure 3). The annual growth rates were derived and presented to the Board in 2012-13 by Tourism WA.

International visitor spend has been lower than the target of 9.3% every year since the strategy release. The number of interstate visitors has been under the required growth rate with declines in the first few years of the strategy. The WA internal market is the only one which demonstrates some gains. Daytrip visitor spend exceeded its target growth rate in 2016 however this had performed poorly for the previous 3 years. Intrastate visitors exceeded its target twice but growth has been negative recently.
Tourism WA lacked implementation plans for some key areas and did not deliver some activities in the timeframes planned

Tourism WA did not develop implementation plans for all of its pillars, with no plans finalised yet for marketing and airline capacity. Most planning was operational and at a specific project level or region level. Without higher level plans it was difficult for Tourism WA to guide activity and track poor performance. We note that plans for these particular areas should be finalised shortly.

Tourism WA did develop implementation plans for many of the priority areas including:

- Aboriginal tourism
- caravan and camping
- China
- cruise ships
- events
- food and wine tourism.

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1 The charts above use different data sources and as a result different time periods are reported for each source. This means the time periods across each of the charts is not the same.
Despite having plans in these areas, not all initiatives were delivered on time. A report to the Board on performance against the strategy in 2015 showed critical areas of slow performance, including Asian market attraction strategies, events and airline capacity. Tourism WA conducted a full refresh of the strategy in 2016 to refocus on areas for improvement. The last year has shown increased funding and effort to deliver on many of these areas of concern.

Delays relating to marketing strategy were partly due to the marketing team experiencing significant turnover in senior executive leadership which made it difficult to deliver a consistent approach. Marketing and international markets are of high strategic importance to Tourism WA so the fact that a strategic approach to marketing is only now being developed with 2 years left for the Tourism 2020 strategy implementation presents a significant risk to delivering strategy goals.

Since the strategy started, Tourism WA has not yet delivered a range of new hallmark events in Perth to increase inbound visitation significantly. It is crucial that Tourism WA works closely with partners to ensure that a future program of events maximises visitation.

Tourism WA projected that the aviation capacity to WA needed to increase by more than 50% by 2020. Only recently has Tourism WA negotiated direct London to Perth flights and flights from Japan. The draft aviation plan may help by addressing some of these delays.

Tourism WA did not record, analyse and report information effectively to support delivery of the strategy

Tourism WA generally had sound governance, but did not have good documentation to demonstrate options were considered and decisions made

Generally, Tourism WA had sound governance procedures and practice around initiatives to boost visitor numbers. For example, committees monitored the implementation strategies and reported to the Board, Executive Management and audit and risk committees on projects. The sponsorship process used clear criteria and was transparent in documenting decisions.

Tourism WA’s Board meetings did not have fully transparent decision-making processes. We did not find adequate records of decisions about changes in strategic direction and the rationale. Decisions were often made via conversations or outside of fully minuted meetings. Strategic meetings with partners and stakeholders were not well documented.

We also found deficiencies in how Tourism WA reported which of its staff attended events using complimentary tickets. Tourism WA has an event attendance policy, but it does not require staff to record who attends or what business benefit will be gained by that individual attending. This increases the potential for staff to attend for personal benefit with no clear link to business performance.

Information was not analysed in a way that helped Tourism WA understand program impact

Tourism WA lacked a structured and rigorous approach to reporting on its overall impact across the programs. Independent cost-benefit analysis of tourism marketing and events sponsorship around Australia shows that there are often low net benefits associated with government funding and that government often overestimates the impact to the economy. Without a rigorous approach to analysing performance, it was not possible to link what Tourism WA delivered to increases in visitor spend.

Some work did take place on this. In 2015, Tourism WA provided the Board with a report that tracked key indicators. This provided a basis for an ongoing monitoring framework but the indicators were not reported again in this form. In 2016, Tourism WA undertook a ‘refresh’ of
the strategy to focus on priority initiatives based on qualitative assessment. This was helpful to inform development of priority areas. It was the first time this was done. Both approaches were useful but without being conducted annually, did not have a consistent approach to tracking impact.

Also the overall effectiveness of its current business model is unclear. Tourism WA has had the same legislation since 1983 without significant review. Other states have reviewed tourism functions and business models to improve outcomes and impact. Some have commercialised their tourism marketing and events functions, while others have reversed decisions to commercialise. Without analysis and review of the current approach to delivery, Tourism WA is at risk of not maximising its impact.

Tourism WA does not have a comprehensive and structured process for choosing the mix of initiatives that will deliver the best return

Tourism WA has delivered many of the same projects each year without significant review or change. While Return on Investment (ROI) information was collected for many projects, it was not used to inform how resources were allocated other than to stop a project if ROI targets were not met. ROIs were not used to compare and improve performance across the whole business, because projects often had different measures of success and not all were reported in the same way. Without consistency, it was not possible to consider the performance of multiple projects. This meant that as long as a project met basic requirements, it often continued without change.

The way some project evaluation information was collected and provided did not support its use to improve performance. Reports to the Board were provided one at a time, and not in a consistent format. Data was sometimes collected up to a year after an event, and in many cases was not reported at all. There was no process for reviewing information in a structured way and making collective decisions about reallocating funding to different projects. As a result, it is difficult for the organisation to stop doing what doesn’t work and start new initiatives.

Most of the events budget was spent on pre-existing events. Some major events receive large amounts even though the outcomes do not always closely align with Tourism’s strategic goal to increase visitor spend. For example, the Perth Fashion Festival has received $3.39 million since 2008 but has, at most, attracted only 118 inbound visitors to Perth in a year. There is value in this festival as it contributes to a vibrant Perth and increases local visitation. However, it is important that Tourism WA considers how well each event is delivering on the strategic goals for tourism including more international and interstate visitors.

Opportunities to increase visitor numbers were missed because of challenges with collaboration

Partners did not have clear targets and timeframes to measure their involvement

Various targets and lists of initiatives to deliver on the strategy were developed, but these often changed and were not clearly communicated to partners. All initiatives did not have performance targets so it was not easy to track progress towards the strategy goal and report back to partnering agencies.

Tourism WA met with some of the partnering agencies to discuss the strategy and implementation plans. However, it did not fully engage and clarify expectations and priorities that needed to be delivered. This made it difficult to help partners to describe their potential involvement and to outline the impact to the economy of failing to meet strategy outcomes.
Our interviews with partner organisations suggest that they were not always clear what Tourism WA expected. It was not easy for partners to get information on how the sector or their agency was performing against the strategy. Without extensive engagement and ongoing provision of information, it was difficult for agencies to keep the strategy outcomes as priorities among other pressing concerns.

**Projects which involved collaboration found it harder to achieve outcomes**

Tourism WA has not always planned for collaborative projects despite the challenges associated with this, and this has led to delays in delivery at times. In the strategy refresh that Tourism WA did in 2016, it noted the critical importance of working in partnership with industry to deliver on priority initiatives. Without a clear and structured approach to collaboration, Tourism WA is at a continued risk of experiencing further delays and not achieving the strategy goal by 2020.

Tourism WA staff expressed that when working with other government agencies, they were not always able to obtain agreement to deliver on tourism initiatives that Tourism WA considered a priority. For example, in 2016 a major cruise company announced it would no longer visit WA until reliable berthing was provided in Exmouth and Broome. Tourism WA had been aware of this possibility but had not been able to get other government agencies to prioritise port improvements. Only after the cruise company pulled out, were agencies able to work together swiftly to address concerns. A formal response to this issue was prioritised in October 2017, when government announced additional funding for port development. A proactive approach may have helped deliver on this project earlier.

Tourism WA does not directly deliver regional marketing and business visitation activities, as they are contracted to organisations under commercial agreements. Although elements of contract delivery were reviewed, Tourism WA did not work actively to maximise contract performance. Tourism WA has not reviewed this approach to regional and business related visitation, and whether they could take a more active role in these areas.

Tourism WA did fund some initiatives aimed at delivering more Aboriginal travel experiences. However, despite these projects, the number of visitors accessing Aboriginal tourism experiences has decreased from 36% in 2010 to 21% in 2016-17 despite most visitors wanting these opportunities (78%).

Another example of difficulties in collaboration has been ensuring that WA is ‘China ready’. Tourism WA has provided small amounts of funding to the Tourism Council of WA to provide a range of workshops, however staff and partners we interviewed reflected that the workforce capability levels are still of concern.

Partners interviewed also indicated they experienced difficulties with collaboration on red tape reduction initiatives. Tourism WA were involved in a multi-agency committee and worked with Department of Commerce to undertake a mapping exercise, but is yet to deliver initiatives that have shown significant improvements in red tape reduction.
Appendix 1: Key government and industry partners to deliver the Tourism 2020 strategy

TOURISM COUNCIL OF WESTERN AUSTRALIA
Training and Industry Up-skilling

REGIONAL TOURISM ORGANISATIONS
Marketing of regional Western Australia, including marketing of Perth as a destination

PERTH CONVENTION BUREAU
Business and Conference Tourism

OTHER INDUSTRY PARTNERS
Australian Tourism Export Council
Chamber of Commerce and Industry
Local Government Authorities
Study Perth

TOURISM WESTERN AUSTRALIA (Department of Jobs, Tourism, Science and Innovation)
Board (Accountable Authority)
Role is promoting Western Australia Executive and Staff (Service Delivery)

3 x OVERSEAS OFFICES OF TOURISM WA (STAFFED)
Marketing WA in particular international markets

5 x OVERSEAS OFFICES OF TOURISM WA (CONTRACTED)
Marketing WA in particular international markets

OTHER GOVERNMENT PARTNERS
Department of Biodiversity, Conservation and Attractions
Department of Education
Department of Sport and Culture Industries
Department of the Premier and Cabinet
Department of Transport
Main Roads WA
Western Australia Police Force

TOURISM AUSTRALIA
Commonwealth Agency Promoting Australia internationally and for collaboration between States

DEPARTMENT OF REGIONAL DEVELOPMENT AND PRIMARY INDUSTRIES
Royalties for Regions Funding

$17.6 million

$4.4 million

$2.5 million

Cooperation with...
## Auditor General’s Reports

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<td>Financial Controls – Focus Area Audits 2016-17</td>
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<td>19</td>
<td>Opinion on Ministerial Notification</td>
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<td>18</td>
<td>Diverting Young People Away From Court</td>
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<td>17</td>
<td>Management of Pastoral Lands in Western Australia</td>
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<td>16</td>
<td>Rich and Rare: Conservation of Threatened Species Follow-up Audit</td>
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<td>14</td>
<td>Non-Clinical Services at Fiona Stanley Hospital</td>
<td>16 August 2017</td>
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<td>Information Systems Audit Report</td>
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<td>Timely Payment of Suppliers</td>
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<td>Management of Medical Equipment</td>
<td>25 May 2017</td>
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<td>Audit Results Report – Annual 2016 Financial Audits – Universities and TAFEs – Other audits completed since 1 November 2016</td>
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<td>Opinions on Ministerial Notifications</td>
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<td>Accuracy of WA Health’s Activity Based Funding Data</td>
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<td>Controls Over Purchasing Cards</td>
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<td>Tender Processes and Contract Extensions</td>
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