

TOURISM TASMANIA

ANNUAL REPORT 2016-17



WINTER REIMAGINED
ENDURO WORLD SERIES
50 WORLD'S BEST RESTAURANTS

OUR ANNUAL REPORT

Tourism Tasmania's Annual Report 2016-17 details Tourism Tasmania's performance during the year in review, describes the activities that shaped and contributed to that performance, explains how Tourism Tasmania has achieved its stated targets within budget and provides a comprehensive financial report.

The Annual Report is available online at

► http://www.tourismtasmania.com.au/publications/annual_report

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SUBMISSION TO THE MINISTER

Dear Minister

Section 41 of the *Tourism Tasmania Act 1996* (the Act) requires that the Board must prepare for the Authority (Tourism Tasmania) an annual report for each financial year. The Act states that the annual report is to include the following information and documents:

- The statement of corporate intent which relates to the corporate plan that takes effect at the beginning of the next financial year
- The financial statements of the Authority for the financial year to which the annual report relates, including a copy of the opinion of the Auditor-General in respect of the financial statements
- A report on the operations of the Authority during that financial year
- Section 42 of the Act states that the Minister must lay a copy of the annual report before each House of Parliament within four months after the end of the financial year to which the annual report relates.

Accordingly, I have pleasure in submitting to you for presentation to Parliament, this report on the affairs and activities of Tourism Tasmania for the financial year ended 30 June 2017.

Yours sincerely

James Cretan
Chairman
Tourism Tasmania Board

John Fitzgerald
Chief Executive Officer
Tourism Tasmania

October 2017

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ABOUT US

Tourism Tasmania is a State Authority created under the *Tourism Tasmania Act 1996*. It has seven board directors with strong expertise in tourism development, marketing and commerce.





STATEMENT OF CORPORATE INTENT

While this publication looks back over the past twelve months, the *Tourism Tasmania Act 1996* states that the Annual Report is to include the Statement of Corporate Intent relating to the corporate plan that takes effect at the beginning of the next financial year. This Statement of Corporate Intent is a summary of the Tourism Tasmania Corporate Plan June 2017 to 2020.

The Tourism Tasmania Corporate Plan 2017-2020 recognises the Authority as a leader and a collaborator in Tasmania's visitor economy and sets out the approach it will take over the next three years to fulfil its role and play its part in achieving the government and industry's Tourism 21 (T21) goals by 2020.

Tourism Tasmania contributes to the fulfilment of the T21 strategy by investing its marketing resources to encourage more leisure travel to Tasmania and make it easier for people to get to the state. It fulfils this role by connecting people culturally and emotionally to Tasmania through domestic and international marketing programs that lead and activate the Tasmanian tourism brand, and grow economic and social value. The principles that guide its work focus on Tasmania's uniqueness, challenging traditional thinking, being consumer-centric and being accountable yet fearless in communicating the Tasmania brand.



T21 – THE TASMANIAN VISITOR ECONOMY STRATEGY 2015-2020

Tasmania's tourism industry consists of around 2,000 separate businesses. It directly and indirectly supports around 37 400* jobs in Tasmania or 15.6 per cent of total Tasmanian employment, and contributes around \$2.79 billion to the economy, amounting to 10.7 per cent of the gross state product.

To grow Tasmania's tourism industry, the Tasmanian Government released T21 – The Tasmanian Visitor Economy Strategy 2015-2020. The strategy is an enduring partnership between the public and private sectors to guide the development of Tasmania as a major destination.

Under the strategy, the Tasmanian Government and tourism industry aim to fulfil five major goals for Tasmania's visitor economy by the end of 2020. These include attracting 1.5 million visitors and \$2.47 billion in visitor spending annually, delivering more direct and indirect tourism employment in Tasmania, sustaining a high level of regional visitor dispersal and achieving greater visitor satisfaction.

Tourism Tasmania contributes directly to the strategy in working to grow demand for travel to Tasmania

through the delivery of domestic and international marketing programs, and to increase air and sea access to the state. Improving access is a priority of the government and described in detail in its Access 2020 plan.

The Tasmanian Visitor Economy Strategy recognises there are many reasons why people visit Tasmania and engages the individuals, businesses and organisations involved in attracting them. These include education, events, business, tourism, hospitality and local government organisations.

The strategy also acknowledges that, to achieve its target, Tasmania needs to overcome existing constraints on growth. In addition to more frequent and affordable access to the island by air and sea carriers, these include the need for new infrastructure and accommodation, and the development of a quality service culture.

Full details of the T21 strategy, including six-monthly reports on the strategy's progress, are on the T21 website at <http://www.t21.net.au>.



OUR FOCUS

To achieve our goal, Tourism Tasmania's activities focus on brand marketing, content generation, brand advocacy and working with partners to increase awareness and bookings.

These activities encompass destination brand development and marketing, domestic and international tourism campaigns, major event marketing, niche tourism promotions, public relations, social media and online marketing. To support its own marketing programs, Tourism Tasmania enters into commercial marketing partnerships with domestic and international carriers, travel retailers and brand partners to facilitate the sharing and promotion of Tasmanian tourism experiences and stimulate holiday sales and bookings to Tasmania.

Tourism Tasmania's destination marketing plays an important part in achieving the government and tourism industry's shared T21 goal to grow the state's visitor economy.

As part of this approach, Tourism Tasmania also works closely with the Department of State Growth and other government agencies responsible for matching the growth of Tasmania's visitor economy with the

supply of adequate air and sea access, new tourism experiences, accommodation and infrastructure, and a suitably skilled workforce.

Tourism Tasmania also encourages the growth of a strong regional tourism sector able to undertake industry development, capacity building and tourism marketing programs for their regions.



CHAIR'S REPORT

With the number of visitors to Tasmania continuing to grow and the government and industry's Tasmanian Visitor Economy Strategy generating good results, we're well on track to meeting our 2020 targets.

Over this past year, we saw record visitor numbers, record visitor spending, and record air and sea passenger access. We also saw more visitors to our regions and a higher level of business confidence with an overall increase in tourism employment.

Our industry is investing in new high quality and innovative tourism products and experiences like the world-first MACq O1 storytelling hotel and the Blue Derby Pods. New products like these contribute to the Tasmania brand, and right now we have a substantial pipeline of new tourism products and experiences being developed around the state that will continue to enhance and project our brand story globally.

I congratulate our industry on their investment in our visitor economy and welcome their commitment to creating experiences that contribute to our tourism brand.

The government's strong commitment to Tasmania's visitor economy is also paying dividends. Through its increased budget investment in tourism marketing, we were able to allocate and spend \$16 million in 2016-17 directly on our marketing programs. This has provided us with the opportunity to expand our efforts and deliver the marketing activities highlighted in this year's annual report. And while Tourism Tasmania's main focus is to create demand for leisure travel to Tasmania and to improve access for those wanting to come here, we know the ongoing benefits extend well beyond the tourism sector and continue well after our visitors return home.

A vibrant tourism sector generates economic, social and cultural benefits for all Tasmanians. More flights and better roads, new and exciting accommodation, better parks infrastructure, and vibrant local festivals and events aren't just for tourists; they create local jobs, pride in our island and help make Tasmania a more enjoyable place for us all.

Tasmania's record performance gives us much to celebrate. We know however, that this success



is not without risk and we need to make sure the benefits of tourism are not gained at the expense of the destination itself or the social well-being of our local communities. As global demand for Tasmania continues to grow and more investors, developers and tourism operators engage in the sector, we need to make sure our increased popularity doesn't undermine the many natural and social benefits that Tasmanians enjoy and that make our island so appealing to others. This is especially true of a tourism offer based around the natural environment and historical-cultural heritage.

And it's not just the physical assets of our island we need to preserve. Tasmania is well known for its warm and welcoming culture and the story telling of our locals underpins much of our marketing effort. For this to continue, Tasmanians need to see the benefits of a successful visitor economy and we as a board need to get the balance right between growing visitor numbers and preserving our uniquely Tasmanian lifestyle.

I thank the Premier and Minister for Tourism, Will Hodgman, for his strong support. I also thank our board of directors for their extensive knowledge of tourism and business acumen, CEO John Fitzgerald for his leadership in guiding Tourism Tasmania as an innovative, responsive, and results-driven organisation and the staff for their hard work and commitment towards achieving our strategic goals.

James Cretan
Chair Tourism Tasmania

CHIEF EXECUTIVE OFFICER'S REPORT

With visitor numbers setting new records, the government and industry's visitor economy strategy is progressing well towards achieving its goals. This is good news for Tasmania and we are committed to playing our part to reach the T21 goals.

As a result of the Tasmanian Government's increased marketing investment, we were able to expand our destination marketing program in 2016-17, spending \$16 million on a range of new and existing projects to increase our state's holiday appeal and attract more leisure visitors.

In December 2016, we launched our inaugural summer advocacy campaign #TassieStyle. Although we have not traditionally promoted Tasmania during the peak holiday season, the opportunity to connect with Tasmanians and over a quarter of a million visitors and encourage them to share photos and stories of their Tassie summer experience, was too good to pass up.

The campaign was a great success, with local tourism businesses and organisations getting involved, and a huge response from visitors and locals.

However just as importantly, where previously we staged two major campaigns a year, today we now have a near continuous year-round program of activity. This gives us an always-on presence in front of consumers and greater opportunity to test, refine and reshape our content to make sure it stays appealing in a busy market place.

The arrival of our new Chief Marketing Officer, Emma Terry, has also provided an ideal opportunity for us to consider our marketing approach and update our operations from strategy all the way through to engagement.

During the year, we had a deeper dive into our international marketing approach to assess the future growth potential of our international markets. The review confirmed our best prospects and recommended new ways of working in these markets.

Our aim is to increase the proportion of international visitors in our overall visitor mix and create a more

balanced visitor portfolio. Our evolved approach to international markets will ensure we allocate resources to the markets and the partnerships that will achieve this.

Building an even closer partnership with Tourism Australia will be a particularly crucial part of our future. In a first of its kind partnership with them, we are recruiting specialist Tasmania marketing managers in Europe and North America. This will ensure we gain maximum benefit from Tourism Australia's networks and investment in these markets.

Our ongoing partnership with Tasmania's regional tourism organisations continues to be a crucial part of our destination marketing program. During the year, we worked closely with our regional tourism organisations to ensure a supply of engaging brand-aligned content for our campaigns, and will increase this focus to produce exceptional regional content.

Knowing our customer's needs and aspirations is also key to our success. A recent market segmentation study revealed Tassie connects strongly with Australian travellers looking for a destination that meets particular emotional needs. In response, we are developing a new target segment profile for Tassie to take full advantage of this strong competitive edge.

Rethinking the way we do things, striving for continuous improvement, and being open to new possibilities and approaches is, we believe, the best way to sustain our growth levels and continue to have a positive impact on leisure travel to Tasmania.

Thank you to all the staff for their commitment and hard work this past year and to our board of directors for their continued support of our efforts to build a strong and sustainable tourism industry in Tasmania.



John Fitzgerald
Chief Executive Officer

OUR BOARD of DIRECTORS 2016-17

Tourism Tasmania operates under the *Tourism Tasmania Act 1996* and is governed by a board appointed by the Governor on the recommendation of the Minister.

JAMES CRETAN



As chair of the Tourism Tasmania Board, James oversees the agency's strategic direction and plays a significant role in communication with government and industry including his membership of the Premier's Visitor Economy Advisory Council. James is an executive director and chair of Kriticos Nominees, a family company that owns and operates Cradle Mountain Wilderness Village, Swansea Beach Chalets, Shoreline Hotel and Tasmanian Collection Service. He is a director and chair of the Plastic Fabrications Group, a manufacturer and supplier of a wide range of plastic and related products to the aquaculture, marine and civil industries, and is also an owner and director of Intuit Technologies, Tasmania's largest private ICT company. He was a director of TAFE Tasmania from 2004 and chair from January 2006 to May 2008 before becoming chair of The Tasmanian Skills Institute and in 2017 he was independent chair of the Tourism and Hospitality Workforce Development Taskforce.

BRETT TOROSI



Brett is the chair of Tourism Tasmania's Audit Finance and Risk Committee. She is founder, owner and managing director of New Ground Network. As a respected property developer and businesswoman, she focuses on creating and developing properties that are innovative, sustainable and commercially successful. Brett's other board appointments include; director, Wallis Watson Capital Ltd; director, Avalon Coastal Retreat Pty Ltd; director, Tasmanian Development Board; 'non-singing' director, The Festival of Voices; chair, Tasmanian Heritage Council; trustee, Tasmanian Museum and Art Gallery; chair, Tasmanian Museum and Art Gallery Audit Committee; chair and director, International Women's Forum; and director of the National Board of Creative Partnerships Australia.

JOHN FITZGERALD



John is chief executive officer of Tourism Tasmania joining the organisation in January 2013. He has had an extensive career in senior executive management positions in the tourism industry in Australia, having held positions at national, State/Territory and regional levels over the past 15 years, following a decade in the thoroughbred racing industry. Previous to his appointment at Tourism Tasmania, John held the position of CEO at Tourism NT following senior appointments in his native Queensland, including as CEO of Tourism Sunshine Coast. John's experience and contribution in the sector has extended to numerous board memberships and directorships including currently with the Australian Tourism Data Warehouse (ATDW) and previously through the NT Major Events Company, the Darwin Waterfront Corporation, the Queensland Tourism Industry Council and he chaired the national Indigenous Tourism Working Group.

KATE VALE



Kate has enjoyed a hugely distinguished career spanning almost twenty years in some of the most prestigious digital environments in the world. Most recently Kate was with Spotify as managing director of Australia and New Zealand where she was responsible for all aspects of the business for the region, managing a team in Sydney for close to six years. In 2002, prior to joining Spotify, Kate was Google's first regional hire heading up the Australian and New Zealand business before moving to head up YouTube in-region in 2009. Kate is also currently a non-executive director of Tourism Australia. Kate relocated her family to Los Angeles in 2016 where she currently resides.

SIMON CURRANT



Simon is the visionary and developer behind some of Tasmania's and Australia's most celebrated tourism experiences including Cradle Mountain Lodge, Franklin Manor, Strahan Village, Gordon River Cruises, Peppermint Bay, Hobart Cruises and his latest venture, a wilderness retreat within the Tasmanian Wilderness World Heritage Area, Pumphouse Point. In 2010, Simon was appointed the inaugural chairman of the Tourism Quality Council of Australia (TQCA). Simon was chairman of the Tourism Industry Council Tasmania for 16 years and continues as a director, and is a former long-term director of TT-Line. A Churchill Fellow, he was awarded a Centenary Medal in 2001 and was named Tasmanian of the Year in 2004. In 2006, Simon was honoured as a Member of the Order of Australia for services to the community and the Tasmanian tourism industry. Simon consults both nationally and internationally, providing expert advice in operations, new destination evaluation, market evaluation and product concept development.

MICHELLE COX



Michelle is the global chief operating officer of marketing and communications agency group Bastion. With 20 years of leadership, Michelle has a demonstrated track record in growing returns across Australia, Asia Pacific and global markets. With multi-national experience in marketing, communications, travel and tourism, Michelle applies entrepreneurial thinking to find creative solutions for her clients. Previous appointments include managing director Asia Pacific for STA Travel and general manager marketing for the APT Group. Michelle has held executive and board appointments including executive director - Bastion EBA, chair of the Australian Tourism Export Council (ATEC) – Northern Territory; deputy chair, Central Australian Tourism Industry Association (CATIA) and as director of Asia Pacific London with STA Global Leadership Board.

REBECCA KING



Rebecca is a multi-award winning tourism online marketing specialist who has worked in small business, state government, the airline industry, and media. She is currently director of her own national tourism digital marketing company Kingthing Marketing. Rebecca held the position of marketing manager at Tamar River Cruises, winning the company nine awards including Tasmanian Tourism Awards and the Telstra Business Award for Innovation. In 2006 she was awarded Telstra Tasmanian Corporate Business Woman of the Year. Her business Kingthing Marketing won the 2014 Tasmanian Tourism Award for Education and Training and in 2015, Rebecca won gold in the prestigious 2014 Australian Tourism Awards in the Education and Training category. Rebecca is a founding member of the Girls Gone Riding cycling group who raise funds for underprivileged communities.

ACCESS 2020

The Tasmanian Government's Access 2020 Strategy aims to increase domestic air and sea capacity and frequency, improve seasonal demand, maximise low fare availability and increase international visitation, as well as introduce a small number of direct international flights. Tourism Tasmania provides research services, logistical and project support to the Tasmanian Government's director of access and aviation development.

AIR

In this second year of the strategy's operation, a total of 119,770 additional passengers travelled either to or from Tasmania compared to the corresponding period last year. Air capacity to Tasmania increased by 126,789 new seats on the key routes from Hobart and Launceston to Melbourne, Sydney and Brisbane. Although this is below the annual target of 140,000 needed to meet the 2020 goals, additional seats gained in the previous year means that the overall capacity gains of the plan remain on track. The increase in capacity over the year was a result of additional ad-hoc seats being made available over a longer peak season, the addition of more peak time services and upgrades to larger aircraft with greater seating capacity.

As well as improving domestic access to Tasmania, the strategy also aims to improve international access. A Federal Government grant deed to extend Hobart's runway to 2,750 metres now enables the Tasmanian Government and Hobart Airport to pursue direct air access with international airlines based in key visitor markets.

The Hobart Airport runway extension project remains on track for completion in March 2018.

Code share agreements improve connectivity to Tasmania from international ports by allowing passengers to book one ticket and transfer luggage directly to their Tasmanian airport destination. During the year, Tourism Tasmania partnered with Chinese east coast distributors to promote Tasmania over the Qantas-China Eastern codeshare network, established last year for travel in the shoulder and off season.

SEA

As an island, sea access to Tasmania is vitally important. In September 2015, TT-Line completed an extensive \$31.5 million refurbishment of both Spirit of Tasmania ships, upgrading all passenger facilities on both vessels. Over the past year, the number of sailings increased by 6 per cent from 767 to 814. This included an additional 45 day sailings following the refurbishment of the vessels. Passenger numbers also increased by 9 per cent from 384,501 to 418,831. This was the highest number of passengers carried by the company since 2004 and was achieved despite a number of adverse weather-related events.

The Access 2020 plan also includes cruise ship activity. In the 2016-17 summer period, cruise ships made 92 port calls, resulting in 236,794 passengers and crew days in Tasmanian ports. This is up from the previous year's 58 port calls and 163,328 passengers and crew days. Direct onshore expenditure in 2016-17 is estimated at \$25.14 million with an average daily onshore spend of \$140 per passenger. This includes food and drink, entertainment, tours, transport and retail shopping.

VISITORS TO TASMANIA

Tourism Tasmania gathers data on visitation to Tasmania through the Tasmanian Visitor Survey (TVS), a sample survey of passengers departing from Hobart, Launceston, Devonport and Burnie airports as well as the Spirit of Tasmania terminal in Devonport. Tourism Tasmania also compiles data from the National Visitor Survey and the International Visitor Survey, both conducted by Tourism Research Australia.

GROW ECONOMIC AND SOCIAL VALUE

Tourism Tasmania contributes to the Tasmanian Government's T21 Tasmanian Visitor Economy Strategy by aiming to increase the number of leisure visitors to Tasmania.

ALL VISITORS

T21 Measure	12 months to June '16	12 months to June '17	% change
Total visitors*	1,167,900	1,269,600	9
Expenditure (million)	\$2,054	\$2,264	10
Total nights (million)	10.20	10.83	6
Direct jobs	17 200	N/A*	N/A*
Indirect jobs	20 200	N/A*	N/A*

* Data to be released in 2018

LEISURE VISITORS

Measure	12 months to June '16	12 months to June '17	% change
Total leisure visitors	862,700	966,200	12
Expenditure (million)	\$1,668	\$1,868	12
Total nights (million)	7.69	8.16	6

APPEAL AND CONSIDERATION (TARGET AUDIENCE)

Measure	Quarter to June '16 (%)	Quarter to June '17 (%)	Change
Appeal	73	86*	N/A
Consideration next 12 months	18	20**	N/A
Consideration next 2-3 years	33	29**	N/A

* In January 2017, Tourism Tasmania changed the way it measures the appeal of a destination in its TIM surveys. This means that the measure used in June 2016 is not directly comparable to the measure of appeal in June 2017.

** In January 2017, Tourism Tasmania altered the way it defines and measures different stages of travel decision making. This means that the measure used in June 2016 for 'Consideration next 12 months' and 'Consideration next 2-3 years' is not directly comparable to the measures used in June 2017.

MARKET SHARE OF ALL VISITORS

Market	12 months to June '16 (%)	12 months to June '17 (%)	Change
Domestic %	85	83	-2
International %	15	17	+2

LEAD AND ACTIVATE THE BRAND

Tourism Tasmania aims to nurture a strong emotional connection to Tasmania to increase leisure visitation to the state. Building and maintaining a vibrant, unique destination brand increases market awareness of Tasmania and continues to grow our appeal as a holiday destination.

SUMMARY OF MAJOR ACTIVITIES 2016-17

OVER THE PREVIOUS YEAR, TOURISM TASMANIA:

- Delivered a year-round domestic marketing program including the Go Behind the Scenery VIII and Go Behind the Scenery IX campaigns in Victoria, New South Wales and Queensland; #TassieStyle, a summer social media advocacy campaign; and our Season of Curious winter promotion.
- Hosted a total of 132 media visits from domestic and international media representatives and influencers
- Hosted 26 key influencers working with Tourism Australia on their World's 50 Best Restaurants Awards generating over 4,000 articles covering the event
- Worked with Tiger Airways on a two-week tactical seat sale and Tasmanian microsite delivered in Melbourne through social and media channels
- Supported over 30 official media representatives for Round Two of the 2017 Enduro World Series in Derby, Tasmania
- Delivered #TassieStyle, an innovative summer advocacy campaign, in partnership with Tasmania's tourism industry
- Worked with TripAdvisor to manage the development of a dedicated Tasmania microsite
- Partnered with Shanghai Eastern Air International Travel Service, the CITS Group Shanghai, VTour and online with Tuniu as part of a two-month campaign to promote the state in response to the introduction of a code share arrangement with China Eastern Airways and Qantas
- Trained 134 sellers in Tourism Tasmania's Tassie Specialist Training with 820 sellers successfully completing the program since its introduction
- Presented the Tassie Specialist Conference, attracting 83 specialist travel agents to the state
- Hosted a Talkabout Tassie Roadshow that saw 17 export-ready Tasmanian businesses present their product to around 240 travel agents in Melbourne, Sydney and Brisbane
- Conducted a comprehensive review of Tourism Tasmania's international strategy and developed a new approach to our international markets
- Led a pan-Asian tourism mission accompanied by 14 Tasmanian operators visiting Malaysia, Singapore, Hong Kong and China and engaging with more than 150 travel agents and product managers
- Conducted a segmentation study that revealed significant opportunities for Tourism Tasmania to promote a unique value proposition for the state
- Participated in travel roadshows and events with Tourism Australia including Marketplace in the US, various German and French roadshows, International Tourism Bourse in Berlin and the Indonesian business development exchange.
- Continued its successful partnerships with Lion Nathan to leverage the synergies with James Boag's brand positioning.
- Undertook extensive partnership marketing with Dark Mofu through our Season of Curious campaign, leveraging the event's high affinity with Tasmania's tourism brand.

OUR ACTIVITIES



Tourism Tasmania's domestic and international marketing activities focus on brand marketing, content generation, brand advocacy, partnering for conversion and stakeholder engagement.

BRAND MARKETING

Tourism Tasmania encourages leisure travel by connecting people emotionally and culturally to Tasmania. It does this by promoting a unique tourism brand that presents a consistent, compelling and readily identifiable character for the state.

Tourism Tasmania undertakes major brand campaigns throughout the year in our domestic target markets to raise awareness of the destination and encourage people to book. Tourism Tasmania's brand campaigns engage all of our marketing approaches for maximum impact. We align social media engagement to campaign themes and produce brand-aligned content for media advertising and partnering organisations.

Taking a holistic approach to marketing reinforces our campaign messages, extends campaign reach and raises awareness of our in-market activities.

We also undertake research to evaluate the impact of our brand campaigns, working with research company TNS Australia to track consumer behaviour throughout the campaigns. Tourism Tasmania uses the findings to inform subsequent campaigns over the coming year. We also use our Tourism Info Monitor (TIM) and Tourism Australia's Consumer Demand research program to monitor the state's tourism performance and gain a deeper understanding of potential interstate and international visitors to Tasmania.

MAP YOUR TASSIE STORY



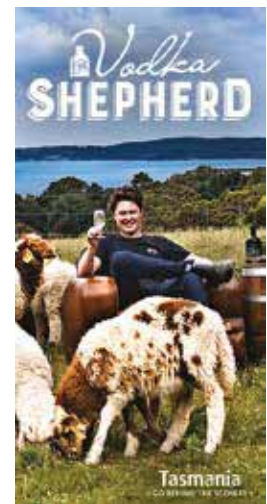
GO BEHIND THE SCENERY VIII AND IX

The 2016 spring campaign, Go Behind the Scenery VIII – Stories Told from the Inside Out, is the eighth campaign since the launch of the Go Behind the Scenery series. The campaign ran from 10 July to 27 August 2016 and saw Tourism Tasmania invest in media advertising in Melbourne, Sydney and Brisbane, engaging audiences through TV, print, cinema, outdoor and digital advertising.

The campaign is also the third to take a video-based approach featuring stories told by locals intended to generate an emotional engagement with consumers. Due to the success of the videos in the two previous campaigns, the campaign again focused on screened activity delivered through television, digital and outdoor media channels with campaign vignettes and a television commercial shot with high production values. The campaign's call to action drove consumers to the Go Behind the Scenery microsite to view the videos.

The strategy resulted in over 284,000 visitors to the website and over 83,000 video views. This exceeded the target by 11 per cent and represented a 130 per cent increase in video views compared to Go Behind the Scenery – Spring 2015. The spring campaign performed exceptionally well in market, reaching the highest level of recall in two years.

The social media focus of the campaign consisted of paid social advertising across Facebook and organic social activity across Facebook and Twitter. Using short and long-form content pieces created by local digital advocates and visiting storytellers (bloggers, photographers and Instagrammers), our Insiders' Guide on the microsite continued to present a wide range of informative and engaging Tasmania stories.



Go Behind the Scenery – IX ran from 26 February to 15 April, 2017. The campaign aimed to move consumers from awareness of Tasmania as a desirable holiday destination to planning a holiday in Tasmania. To do this, the campaign encouraged planning by giving the viewer a sense of place. Through the use of an online mapping tool, and highlighting the website's Stories Told from the Inside Out, Tourism Tasmania presented the content in a way that turned the stories into accessible and achievable experiences, seamlessly moving the consumer from intention to planning.



Delicious Tasmania Winter Feast Event



Tasmania Game of the Year



Winter Campaign - Jetstar Tray Table Stickers



Tasmania Game of the Year

Overall, the campaign showed a decrease in engagement compared to the previous year's autumn campaign with the number of people engaging with the campaign decreasing by 49.7 per cent. This is most likely a result of the campaign targeting a narrower market segment – those moving from intention to planning – compared to previous campaigns where the intent was to address a broader market in raising awareness and intention to travel.

SEASON OF CURIOUS II

Tourism Tasmania ran Season of Curious II from 30 April to 11 June 2017, with some activity continuing through to July 2017. The promotion aimed to increase visitation over this traditionally quieter period by highlighting the many special events held in Tasmania over winter. The six-week winter promotion built on the exposure achieved by the 2016 winter campaign and took a content-led approach, supported by paid advertising, that featured Tasmania's winter events and festivals.

Tourism Tasmania invested around \$1.35 million on digital advertising as well as the creation and distribution of new content. All calls to action were to travel partner, Tas Vacations. The events promoted included Dark Mofo, The Tempest exhibition, Devonport Jazz Festival, Festival of Voices, Huon Mid-Winter Fest and Chocolate Winterfest.

Tourism Tasmania undertook additional cooperative marketing with event and commercial travel partners to raise awareness of Tasmania's edgy winter events and festivals and also to expand the channels for people to book a winter break. Commercial travel partners

included Flight Centre, Escape Travel, Expedia, RACT Destinations and Qantas. The results of the campaign are not yet available at the time of print.

DARK MOFO

Tourism Tasmania leveraged Dark Mofo through its Season of Curious II campaign, given the event's high affinity with our tourism brand. Over 100 media representatives were accredited for the festival with media coverage tracked in more than 28 countries including Australia, USA, United Kingdom and Germany. Cooperative activities were also undertaken with Qantas and Canon Collective to promote the festival to the mainland, and cross promotional messaging embedded in communications to increase interstate visitation, length of stay and regional dispersal.

HAWTHORN FOOTBALL CLUB

Tasmania's sponsorship of the Hawthorn Football Club allows Tourism Tasmania to harness significant promotional opportunities including a presence on the club's websites and through the Tasmania Game of the Year, a Melbourne-based home game dedicated to Tasmania. With ground signage and public relations activities evident on the day. This year's match was broadcast to an audience of around 382,000 with a match day crowd of 35,000 and a corporate audience of 350 in the prestigious President's Function.



Hawthorn Football Club at Blue Derby

CONTENT

Compelling content plays an important role in influencing a consumer's travel decisions. It builds an emotional connection with the destination and differentiates Tasmania in a competitive travel marketplace. Encouraging others to generate content on Tasmania underpins much of our approach to domestic and international marketing. Content includes images, videos, footage, articles, blogs, stories and related assets.

PRINT AND ONLINE

Tourism Tasmania hosts and advises journalists, social media commentators and independent influencers interested in publishing destination content on Tasmania. This year we hosted 134 media visits from domestic and international media representatives. These were for traditional publishing formats such as newsprint, magazines and television and also for online formats by influencers and bloggers and included domestic and international media representatives. As a result of our work, Tourism Tasmania gained media exposure in domestic publications including *Weekend Australian Magazine*, *Better Homes and Gardens*, *Gourmet Traveller*, *The Weekend Australian*, *Woman's Day*, *Sunday Telegraph*, *Australian Traveller* and *Herald Sun*. Media exposure in international publications included *Robb Report (US)*, *Globe & Mail (Canada)*, *The Peak Magazine (Singapore)*, *Port Culinaire (Germany)*, *Le Echos Serie Limitee (France)*, *Conde Nast Traveller (UK)*, *Global Gourmet (China)*, *NZ Herald (New Zealand)*.



The Gardens, Bay of Fires Conservation Area

TELEVISION

Tourism Tasmania encourages the production of Tasmanian destination content for television. This year, Tourism Tasmania hosted four domestic and three international TV media visits. We worked with the Today Show's We Love Australia Tour, broadcasting live from Strahan. The show included colourful stories on the tourism attractions of the west coast. We worked with *Better Homes and Gardens* visiting the Huon Valley and Bruny Island. The road trip ran for four segments across the show, including the opener and closer of the entire episode, with approximately 20-25 minutes of content going to air. Tourism Tasmania also worked with Sunrise Weather with live crosses from Bruny Island, Bonorong Wildlife Park and Agfest.

ENDURO WORLD SERIES

The 2017 Enduro World Series, one of the world's most recognised mountain bike events, was hosted in Derby from 8-9 April 2017. This was the first Enduro World Series event ever to be held in Australia and its hosting in Derby successfully raised Tasmania's



MACq 01

reputation as an up and coming world-class mountain bike destination. During the event, Tourism Tasmania supported over 30 official media representatives to help leverage the destination message throughout the coverage. Coverage of the event ranged from local newspapers to domestic and international mountain bike magazines and websites including *Red Bull TV*, *Pinkbike*, *International Mountain Bike Magazine*, *Australian Mountain Bike Magazine*, *Flow*, and *Revolution MTB*. This is in addition to the extensive social media activity of the athletes and brands. A Tasmania episode of the Enduro World Series TV show is likely to air in September through IMG Distribution.

MACq 01 – OPENING

Tourism Tasmania co-hosted national media to celebrate the opening of the Hobart waterfront luxury hotel, MACq 01. The hotel's story-telling theme brings to life the characters and events that are a part of Tasmania's colonial history. Publications covering the event included *Qantas Magazine*, *Australian Financial Review*, *Australian Traveller*, *Delicious*, *Harper's Bazaar*, *Voyeur*, *Australian Gourmet Traveller*, *The Weekend Australian*, *Sydney Morning Herald* and *Vogue*.

TOURISM AUSTRALIA – WORLD'S 50 BEST RESTAURANTS

The annual World's 50 Best Restaurant Awards was held in Melbourne on 5 April, 2017. Working with Tourism Australia and Tasmania's Drysdale Institute, Tourism Tasmania brought 26 key influencers to Tasmania including chefs, academy chairs, food and wine influencers and lifestyle media. Tourism Australia's results show that the global public relations program generated over 4,000 articles



Sydney to Hobart Yacht Race – Hobart Race Village

covering the event. Delegates came from UK, China, USA, France, Germany, Canada, Singapore, Malaysia, Hong Kong, Argentina, Chile and India. Publications included *Conde Nast Traveler (UK)*, *Robb Report (USA)*, *The Peak Collection (Singapore)*, *Global Gourmet (China)*, and *Les Echos Series Limitee (France)*.

Leveraging the opportunity, TasTAFE presented the Great Chefs Series that saw some of the world's best chefs come to Tasmania to mentor, coach and collaborate with the students at TasTAFE Drysdale. Tourism Tasmania partnered with TasTAFE to deliver a public relations campaign to create interest in the series in the wider food and beverage community and to drive sales and visitation for the events. Tourism Tasmania hosted 25 food and lifestyle journalists and influencers over two weeks in March 2017. So far, more than 30 complementary editorials for the Great Chefs Series have been published including in *Broadsheet*, *Traveller.com.au*, *Executive Style*, *The Australian*, *Sydney Morning Herald*, and *The Age*. Media coverage reached an audience of more than 2,190,864 in print and 16,837,552 online.



Sunrise from kunanyi / Mt Wellington

TOURISM AUSTRALIA – SIGNATURE EXPERIENCES

Tourism Tasmania works with Tourism Australia to promote their Signature Experiences, previously Best of Australia programs, through public relations activities, media and specialist travel-trade initiatives. These programs promote Tasmania’s leading experiences in our domestic and international markets and include Great Golf Courses of Australia, Great Walks of Australia and the Ultimate Winery Experiences of Australia. Tourism Tasmania supported an Australian Tourism Exchange 2017 pre and post familiarisation program, hosting trade and media delegates from the USA, continental Europe and Asia, along with specialist delegates as part of Tourism Australia’s Signature Experiences program.



Effervescence Tasmania

BRAND ADVOCACY

The use of third-party advocacy and word-of-mouth to promote Tasmania on social media play an important part in Tourism Tasmania’s combined approach to consumer marketing. Tourism Tasmania uses social media to increase the reach of our marketing message, generate brand-aligned content, reinforce brand attributes and build trust with audiences. Social media and public relations activities also promote the brand globally using content generated through Tourism Australia’s International Media Hosting Program and Tourism Tasmania’s Visiting Influencers Program.

OUR COMMUNITY

Tourism Tasmania uses the hashtag #discovertasmania to encourage sharing of content across social channels. In 2016-17, Tourism Tasmania’s social media community across Facebook, Instagram and Twitter grew more than 27 per cent from 533,512 to 680,808 followers. This increase demonstrates the growing popularity of Tasmania as a travel destination on social media.

#TASSIESTYLE

During the 2016-17 summer season, Tourism Tasmania harnessed the seasonal influx of visitors to generate active advocacy for the state. The #TassieStyle campaign encouraged visitors and locals to share their distinctly Tasmanian photos and videos through social media using the hashtag #TassieStyle for a chance to win one of 11 weekly prizes, or one of three major prizes. The campaign had a strong focus on industry involvement and encouraged local tourism operators to promote the campaign to their guests.



The response from Tasmania’s tourism industry was overwhelmingly positive with 225 individual orders received for promotional materials from operators and partners. Over the course of the campaign, Tourism Tasmania distributed over 2,150 marketing kits, amounting to around 240,000 items of promotional material, to Tasmanian tourism operators.

The campaign was well received by consumers, receiving 42,411 entries over the 12 week campaign. This far exceeded our most optimistic expectations based on similar competitor campaigns held elsewhere. In all, the #TassieStyle campaign reached more than 11 million people across all social media channels and achieved an average engagement rate of 9.5 per cent – well above industry benchmarks.

INSIDERS’ GUIDE – GO BEHIND THE SCENERY

Content authored by third parties underpins Tourism Tasmania’s Insiders’ Guide, a multi-social channel content hub on the Go Behind the Scenery campaign microsite. Using short and long-form content pieces created by local digital advocates and visiting bloggers, photographers and Instagrammers, the Insiders’ Guide presented a selection of informative and engaging Tasmania stories.

Advocates also engaged in conversations, shared their stories and images and encouraged their social media community to visit the guide. Tourism Tasmania selected advocates based on their target audience reach, expertise aligned to content themes and engagement rates. The content pieces were created in the form of articles and photo galleries. The content was delivered via Outbrain and both paid and organic Facebook posts. The Insiders’ Guide included a curated feed from Tourism Tasmania’s Facebook, Instagram and Twitter that

reinforced the brand narrative and served to increase exposure of the microsite in the new Your Stories area of the microsite.

ROSEHAVEN TV SERIES

The eight-part comedy series *Rosehaven*, starring Celia Pacquola and Luke McGregor, launched on the ABC on 12 October 2016, with its world premiere held in Hobart on 10 October 2016. The show was shot in locations across southern Tasmania, including Geeveston, New Norfolk and Richmond. Tourism Tasmania worked with the Australian Broadcasting Corporation to amplify Tasmania’s share of voice around the series and leveraged social media conversations to inspire further conversations about Tasmania. Content from the series provided by the ABC, along with access to the actors, allowed Tourism Tasmania to create a voice-over piece titled Luke and Celia’s Guide to Tassie that was then used across Tourism Tasmania’s channels.

LION – THE MOVIE

The highly-anticipated feature film *Lion*, set in Tasmania, premiered at the Toronto International Film Festival, the Zurich Film Festival and the British Academy of Film and Television Arts Gala before opening to the general public in North America, Australia, Hong Kong and India. *Lion* resulted in the fifth biggest opening weekend for an Australian film and the biggest opening weekend for an independent Australian film. The film subsequently opened in New Zealand at number one, and the United Kingdom at number four for box office takings. Tourism Tasmania identified the release of the feature film as an opportunity to achieve exposure and ‘talkability’ for Tasmania by ensuring the state was always part of the conversation when the film was mentioned on and offline.



Festive

PARTNERING FOR CONVERSION

Tourism Tasmania works with domestic and international trade partners on cooperative marketing campaigns to convert consideration into sales. Partners include domestic and international special interest groups, travel wholesalers, retail travel networks, carriers and inbound tour operators. We also attend trade events along with Tasmanian operators to introduce domestic and international sellers to some of Tasmania's best tourism experiences.

COOPERATIVE MARKETING

This year, Tourism Tasmania ran successful cooperative marketing campaigns with retail partners Flight Centre Travel Group (including Flight Centre and Travel Associates), Helloworld, AOT, Innkeepers Tasmania and the Royal Automobile Club of Tasmania.

We also worked with TasVacations on national retail and consumer-direct campaigns through retail agencies and auto associations including the Royal Automobile Club of Queensland and the National Road and Motoring Association.

In 2016-17, Tourism Tasmania worked with:

- TripAdvisor to manage the development and optimisation of a Tasmanian microsite
- Arrival Guides to develop engaging content for over 100 travel networks, including Webjet, House of Travel and Visa Europe
- Tiger Airways on a two-week tactical seat sale and Tasmanian microsite, delivered in Melbourne through social and digital channels

- Qantas Airways on cooperative partnership activities including activations with Ben Milbourne
- Qantas and Great Walks of Tasmania to support a week long TV promotion with the Today Show ahead of the release of the film Lion in Australia
- Virgin Australia and Jetstar Airways on cooperative activities including content-driven initiatives and tactical messaging
- TT-Line on a cooperative, content-led campaign reaching consumers through digital and social behavioural targeting
- P&O Cruises to support the launch of the Dark Mofo cruise from Sydney to Hobart through cooperative brand campaigning in metro Sydney
- Australian Football League (AFL) and Virgin Australia to facilitate AFL Travel using a cross media approach that included the club and AFL channels speaking directly to the fans.

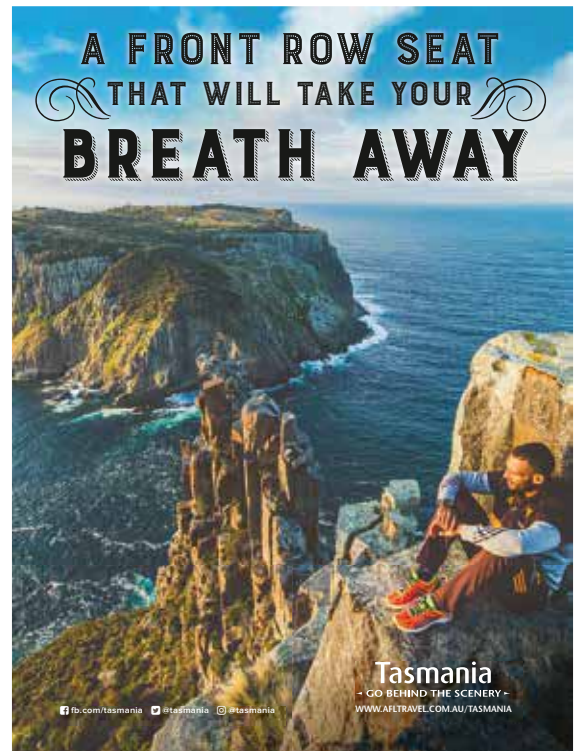
Go Behind the Scenery

To extend the reach and impact of its Go Behind the Scenery campaigns, Tourism Tasmania contributed to coordinated promotions by access partners Qantas and Virgin Australia. It also worked exclusively with conversion partner Flight Centre for both campaigns, with all calls to action to Flight Centre.

Tourism Tasmania also undertook cooperative marketing activity with Escape Travel who saw revenue up 34 per cent over the period and Helloworld, whose total sales for the campaign period were up 49 per cent compared to the previous year.



National Penny Farthing Championships



For the first time we also undertook cooperative marketing activity with Expedia a leading global online travel agency. Activity included advertising across Expedia’s owned channels, e-newsletters, social media and search engine marketing activity. The Expedia Australia site leveraged the Go Behind the Scenery campaign creative and was the most effective execution of all of our campaign partners for this period.

#TassieStyle

Over 70 commercial partners, event organisers, government agencies and brand partners helped extend the reach of Tourism Tasmania’s summer #TassieStyle campaign. Access partners Qantas Airways, Jetstar and Tiger Airways promoted the campaign to their customers while TLine distributed DL flyers featuring #TassieStyle in all Spirit of Tasmania boarding passes. Innkeepers Tasmania, TasVacations, RACT Destinations and others also undertook integrated campaign activity. Tourism Tasmania also worked with summer events and festivals to promote the campaign to their own stakeholders. These included the Sydney to Hobart Yacht Race, the Taste, the Australian Wooden Boat Festival, Hobart Twilight Market, Festiva, Ricky’s Biggest Game of Cricket, Evandale Village Fair and National Penny Farthing Championships and the Hobart International.

James Boag

Tourism Tasmania continued its successful partnerships with Lion Nathan to leverage the synergies offered through James Boag’s brand

positioning. Collaborative activities across two campaigns reached around 590,000 consumers and championed a distinctly Tasmanian message. In addition, the Harnessed by James Boag’s collaborative activity saw two-hat chef James Viles transform Tasmania’s raw elements into premium, one-of-a-kind food experiences. The activity took place at the Melbourne Cup and in Qantas business lounges. The Qantas activations were an immersive sensory experience that used virtual reality headsets and included a taste experience in partnership with King Island cheeses.

Country Road

Tourism Tasmania’s partnered with Country Road to support their May Close Knit campaign in June, 2017. The campaign complemented the warm and cosy aspect of Tourism Tasmania’s Season of Curious campaign and served to increase audience numbers via an in store and online competition titled Win a Bruny Island Escape. In addition, Country Road included pages on their website featuring Bruny Island themed behind the scenes and travel articles as well as a character story on Northern Tasmanian sheep farming family, the Von Bibras. The partnership resulted in 2,500 consumer opt ins for future communication through a joint database acquisition initiative. Country Road activated the brand-aligned message through their channels, with an audience reach of 229,500 consumers through their EDM.



ATE 2017

International

Tourism Tasmania undertakes cooperative marketing activity in select international markets. This includes in-market representation and cooperative activity with Tourism Australia.

Tourism Tasmania worked to raise destination awareness in East China in response to the introduction of a code share arrangement between China Eastern and Qantas. Tourism Tasmania developed a two-month campaign to encourage travel to Tasmania in the low season (winter), encourage longer stays and increase social media followers through our own and partner channels. As part of the campaign, Tourism Tasmania partnered with Shanghai Eastern Air International Travel Service, the CITS Group Shanghai, VTour and online with Tuniu.

Tourism Tasmania continued to participate in travel roadshows and events with Tourism Australia. These included Marketplace in the US, German and French roadshows, International Tourism Bourse in Berlin and the Indonesian Business Development Exchange.

Tourism Tasmania continued to provide programs for key international influencers as well as travel trade programs for representatives from South Korea, USA, France, China, Hong Kong, Malaysia, New Zealand and Germany.

This year, Tourism Tasmania undertook a comprehensive review of its approach to international marketing. The review identified Tasmania's highest priority markets as North America, Continental Europe, Singapore, Hong Kong and China. The review also identified an opportunity to change the way Tourism



ATE 2017



ATE 2017

Tasmania operates in international markets and ensure stronger collaboration and support between in-market resources and the Australian-based team. As a result, Tourism Tasmania is implementing a new approach in association with Tourism Australia in Continental Europe and North America as well establishing three independent contracts with in-market representatives in Singapore, Hong Kong and China.



Asia Mission

EDUCATING THE TRAVEL TRADE

SPECIALIST TRAINING

Tourism Tasmania offers online training and famils for retail travel agents and inbound tour operators interested in learning more about Tasmania. Over the past year, 134 sellers qualified as Tassie Specialists with 820 sellers successfully completing the training since its introduction. Tourism Tasmania also provided independent destination training with wholesalers to increase their knowledge and confidence when selling Tasmanian products.

TRADE EVENTS

Pan Asia Trade Mission

John Fitzgerald, CEO of Tourism Tasmania, led a pan-Asian tourism mission in February 2017. A total of 14 Tasmanian operators travelled as part of the mission visiting Malaysia, Singapore, Hong Kong and China. As a result of the mission, more than 150 travel agents and product managers directly engaged with the Tasmanian operators to further strengthen relationships and establish new business.

Talkabout Tassie Roadshow

Tourism Tasmania presents and participates in trade events to increase sales in our domestic and international markets. Tourism Tasmania's Talkabout Tassie Roadshow gives travel sellers the chance to meet local operators and learn more about Tasmanian products. This year, 17 export-ready Tasmanian businesses presented their product to around 240 travel agents in Melbourne, Sydney and Brisbane. A total of 99 per cent of sellers agreed they were more knowledgeable of tourism

products and experiences in Tasmania after attending the roadshow, and 92 per cent of sellers agreed they felt more confident to sell Tasmania to clients in the future after attending the roadshow.

Tassie Specialist Conference

Tourism Tasmania's highly successful Tassie Specialist Conference, open exclusively to qualified Tassie Specialists, attracted 83 specialist travel agents to the state. The conference gives Tassie Specialists a chance to engage directly with Tasmanian operators and the experiences they offer. The agents engaged with 31 Tasmanian operators over the two-day conference and participated in pre and post familiarisations managed by Tourism Tasmania. All attendees agreed they were more likely to recommend Tasmania to their clients and were more knowledgeable on Tasmanian tourism products and experiences.

Australian Tourism Exchange 2017

Tourism Tasmania attended the Australian Tourism Exchange (ATE) in Sydney in May 2017. The Australian Tourism Exchange is Australia's largest annual travel and tourism business-to-business event. A total of 25 Tasmanian operators attended with full representation from Tourism Tasmania's internationally based team. This four-day event focused on business-to-business opportunities from all key global source markets travelling to Australia. Delegates from the USA, Germany, Hong Kong, China and Singapore participated in the pre and post familiarisation program at ATE with additional representatives from the UK and Brazil participating in specialist programs featuring golf, walking, wildlife, wine, and luxury products. Tasmania's attendance at the event has continued to generate widespread interest in the state with more people wanting to know about our unique tourism offer.



Ocean Dunes Golf Course

STAKEHOLDER ENGAGEMENT

Tourism Tasmania collaborates with other government agencies and organisations that contribute to the visitor economy, sharing research outcomes, providing secretariat and logistical support, and liaising with stakeholders.

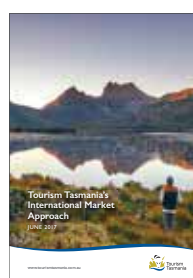
VISITOR ECONOMY STRATEGY

Tourism Tasmania is a lead partner in the T21 – Tasmanian Visitor Economy Strategy. Tourism Tasmania provides secretariat services to the Premier’s Visitor Economy Advisory Council, which oversees the strategy, and to the T21 Steering Committee which is responsible for coordinating delivery of the T21 priority actions. Over the past year, the Premier’s Visitor Economy Advisory Council met on three occasions, and the T21 Steering Committee met on six occasions. Full details of the strategy, as well as the strategy’s six-monthly progress reports are available at www.t21.net.au.

REGIONAL TOURISM ORGANISATIONS

Tasmania has four regional tourism organisations (RTOs) that cover the north-west and west coast regions, the north, the south, and the east coast. The RTOs are important contributors to the Tasmanian visitor economy, undertaking marketing, destination management and industry development for their region.

In 2016-17, the Tasmanian Government, through Tourism Tasmania, provided a total of \$1.2 million through individual grant deeds for the RTOs to undertake industry development, destination development and intrastate marketing activities. The level of funding received reflects the size and scale of the industry in each region with the Cradle Coast Authority and Tourism Northern Tasmania allocated \$317,500 each, the East Coast Regional Tourism Organisation allocated



\$230,000 and Destination Southern Tasmania allocated \$335,000.

Regional activities over the year included the hosting of Round 2 of the 2017 Enduro World Series, the listing of over 500 businesses in the Great Eastern Drive Holiday, the launch of an Explore Southern Tasmania Map and industry development activities including the annual Destination Southern Tasmania Summit and the Southern Stars of Tourism. In addition Destination Action Plans were completed for Burnie, Devonport, Latrobe and West Coast as well as Central Coast, Circular Head, Waratah-Wynyard and King Island.

ACCESS 2020 WORKING GROUP

Tourism Tasmania coordinates the provision and analysis of research and transport data for the Tasmanian Government’s Director of Aviation and Access Development. The research supports the formulation of business cases aimed at improving air services to Tasmania. Tourism Tasmania also provides secretariat support to the Access 2020 Working Group.

AUSTRALIAN TOURISM DATA WAREHOUSE

Tourism Tasmania works with the Australian Tourism Data Warehouse (ATDW) to grow their ATDW-Online database and ensure all Tasmanian content is accurate and engaging. The database is used by travel distributors to source product information for their travel websites and contains extensive information on Australian tourism businesses including accommodation, food and drink, attractions, events, tours and hire.



Hobart Airport

Tourism Tasmania recently modified its Discover Tasmania website to display product promotional videos in ATDW listings and to provide preferential treatment to businesses accredited under the Australian Tourism Accreditation Program.

TASMANIAN VISITOR INFORMATION NETWORK

The Tasmanian Visitor Information Network (TVIN) represents 19 yellow-i accredited visitor information centres and two associate member centres located around the state. In 2016-17, Tourism Tasmania provided \$70,000 to the network as well as \$150,000 towards the operation of the Tasmanian Travel and Information Centre in Hobart and \$120,000 to the Launceston Visitor Information Centre. Over the year, the TVIN undertook training in customer service through the Tasmanian Hospitality Association's Great Customer Service program and training in retail sales and merchandising. The network also presents the TVIN annual conference and helps inform visitors of road closures and driving conditions during bush fire and floods. Members also actively promoted Tourism Tasmania's #TassieStyle social media summer advocacy campaign.

TOURISM INDUSTRY COUNCIL TASMANIA

Tourism Industry Council Tasmania (TICT) is the peak body representing the state's tourism industry. The council advocates on behalf of the industry, promotes the value of tourism in the Tasmanian visitor economy and provides programs to encourage the delivery of world class visitor experiences. The Tasmanian Government, through Tourism Tasmania, provided \$200,000 to TICT to support the Australian Tourism Accreditation Program, the Tasmanian Tourism Awards and the state's major tourism event, the Tasmanian Tourism Conference.

AN INSPIRING ENTERPRISE

Tourism Tasmania is an active leader and collaborator in the Tasmanian Government's Tasmanian Visitor Economy Strategy, and plays an important role in helping communicate Tasmania's story. Tourism Tasmania recognises that to continue to succeed it must have the right people in the right job and a strong, positive and proactive work force. To achieve this, Tourism Tasmania is fostering a values-based culture that encourages innovation, creativity and a diversity of views while ensuring a strong alignment and affinity with the organisation's strategic objectives.

Tourism Tasmania's ongoing People and Culture program aims to create a sustainable high performance business culture within the organisation. The program commenced in October 2016, and saw all staff, including senior managers, participate in a series of structured workshops designed to create a shared agreement on a preferred culture for the organisation. The workshops identified the type of workplace culture, values and behaviours staff aspire to and how people can best work together to embed these within their day to day work.

To support the People and Culture program, all staff participated in working together workshops in early 2017. The workshops used evidence-based models, tools and frameworks to enable staff to consider how they lead and work with each other.

Tourism Tasmania recognises the importance of ensuring staff have the right skills to achieve its goals and aim to instill a culture with clear accountabilities by recruiting, rewarding and retaining talent aligned to our corporate values.



Cradle Mountain

RESEARCH SERVICES

Tourism Tasmania commissions research to ensure its business decisions are evidence-based. Understanding the needs and expectations of customers is vital to building a strong emotional and cultural connection to Tasmania, and attracting more high-value visitors.

In 2016-17, Tourism Tasmania invested over \$1.1 million in market research and visitor tracking programs to gain a deeper knowledge and understanding of current and potential visitors to Tasmania. It also engaged with a diverse group of industry, government, business and community stakeholders to provide authoritative insights about visitors, the state's tourism performance and its potential.

Tourism Tasmania monitors consumer demand, perceptions, expectations and characteristics through its market profiling research programs. It also uses visitor tracking programs, like the Tasmanian Visitor Survey to measure Tasmania's performance and examine the characteristics and behaviour of those who have come to the state.

VISITOR TRACKING PROGRAM

Tourism Tasmania's Tasmanian Visitor Survey (TVS), reports on the characteristics and travel behaviour of visitors to the state. Tourism Tasmania also supports Tourism Research Australia to conduct their national and international visitor surveys, provide information on the economic impact of tourism, and deliver forecasts and tourism investment data at the national and state level.



Heritage Horse Drawn Carriages

Tourism Tasmania publishes a quarterly summary of the results in a Tourism Snapshot that includes data compiled from Tourism Research Australia's national and international visitor surveys. This is publicly available on the Tourism Tasmania corporate website. The full results of the TVS are also available online at www.tvsanalysyer.com.au.

MARKET PROFILING PROGRAM

Tourism Tasmania also conducts a regular quarterly study of travelling Australians to monitor the state's tourism brand health, conversion potential and challenges, and measure Tasmania's performance. A summary of results and insights from the Tourism Info Monitor (TIM) are published every quarter on Tourism Tasmania's corporate website.

Tourism Tasmania also conducts research to evaluate the impact of its brand marketing campaigns, using the findings to inform subsequent campaigns over the coming year. This year, we continued to work with research company TNS Australia to track consumer behaviour in our Go Behind the Scenery and Season of Curious campaigns.



Three Capes Track

To supplement the regular TIM research, Tourism Tasmania conducted new research in 2016-17 to better understand the market opportunity and provide new ways to focus its destination marketing efforts.

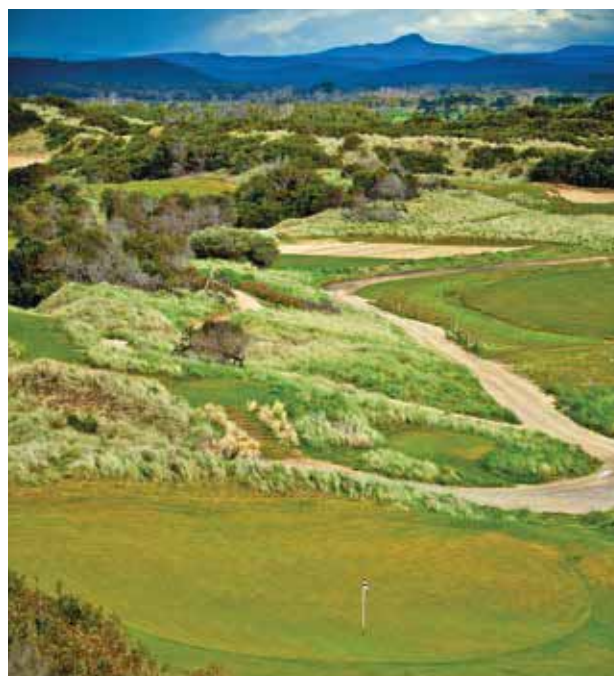
SEGMENTATION RESEARCH

In late 2016, Tourism Tasmania commissioned its research partner TNS Australia to undertake a market segmentation study in Australia and explore a new approach to identifying and marketing to an interstate audience. Using their Needscope™ model, the TNS study identified a group of emotional holiday needs that Tasmania fulfils better than other destinations. The findings from this research will support the development of Tourism Tasmania's brand marketing and content development.

The market segments identified through this research introduces a new approach to build emotional and cultural connections with Tasmania and will be incorporated into Tourism Tasmania's branding, marketing and market research programs in 2017-18 and beyond.

CONNECT™ RESEARCH

In early 2017, Tourism Tasmania commissioned TNS Australia to explore and measure the impact of various paid, owned and earned marketing channels in creating appeal for Tasmanian holidays and converting this appeal into purchasing a holiday to the state. While this research technique has been used globally for various consumer goods, this is the first time it has been applied to a travel destination.



Barrabougle Lost Farm

CONSUMER DEMAND PROGRAM

International visitors currently represent around 17 per cent of all visitors to the state. Tourism Tasmania's long-term target is to increase international visitation to Tasmania to around 20 per cent of the total. In 2016-17 Tourism Tasmania entered a two-year partnership with Tourism Australia to undertake consumer demand research in selected international markets. The \$30,000 a year research program explores the level of awareness, appeal and consideration for a Tasmanian holiday amongst potential visitors in China, Hong Kong, Singapore, USA, New Zealand and India.

STATUTORY INFORMATION

BOARD COMMITTEES

AUDIT, FINANCE AND RISK

The primary role of the committee is to assist the board fulfil its corporate governance responsibilities in overseeing and reviewing Tourism Tasmania's internal controls, internal audit relationships, contract engagements, risk management and financial reporting.

The committee comprises two board directors and a non-executive independent audit with expertise in corporate governance and financial reporting.

Regular attendees of the AFRC meetings are Tourism Tasmania's Director of Operations and Planning, Business Services Manager, the appointed internal auditors and the Tasmanian Audit Office, and the signing officer.

OUR STAFF

At 30 June 2017, Tourism Tasmania consisted of 46 full-time and six part-time staff, four fixed-term, one Head of Agency and one Senior Executive Service (SES). Of the 52 full and part-time staff, there were 35 females and 17 males.

PUBLIC INTEREST DISCLOSURES ACT

The purpose of the Public Interest Disclosures Act 2002 (Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies.

The Act provides protection to persons who make disclosures in accordance with the Act, and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken. The agency is committed to the aims and objectives of the Act. It does not tolerate improper conduct or detrimental action by the agency or members, officers or employees.

The procedures for reporting disclosures are available at www.tourismtasmania.com.au.

The agency has not received any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2017.

TOURISM TASMANIA

Board of Directors Attendance 1 July 2016 to 30 June 2017

Board	Current Term	Number of Board Meetings (8 mtgs)
James Cretan (chair)	12/08/14 - 11/08/2017 (1st term)	7
Michelle Cox	30/10/2014 - 29/10/2017 (1st term)	7
Simon Currant	14/03/2016 - 1/09/2017 (7th term)	7
Rebecca King	15/09/2015 - 14/09/2017 (1st term)	7
Brett Torossi	14/10/2015 - 13/10/2018 (3rd term)	6
Kate Vale	1/5/2017 - 28/03/2019 (2nd term)	5
John Fitzgerald (CEO) *	15/01/2013 - 14/01/2018 (end of appointment)	7

*John Fitzgerald is the Chief Executive Officer and his representation on the board is for the term of his appointment.

AUDIT, FINANCE AND RISK COMMITTEE ATTENDANCE

In 2016-17, the Audit Finance and Risk Committee met five times.

Board member	Meetings attended
Brett Torossi Chair	4
Michelle Cox + AFRC board director committee member	4
Rebecca King AFRC board director committee member	1
Nicholas Burrows ^ non-executive independent audit committee member	5

^ Nick Burrows is a non-Executive Director for the Tourism Tasmania Audit, Finance and Risk Committee

+ Michelle Cox - No longer serving on the Tourism Tasmania AFRC

A WHOLE-OF-GOVERNMENT FRAMEWORK FOR TASMANIANS WITH A DISABILITY

Tourism Tasmania continues to develop its consumer website, www.discovertasmania.com.au, and its corporate website, www.tourismtasmania.com.au, in accordance with the Tasmanian Government's accessibility standards with due attention paid to the principles described by the World Wide Web Consortium (W3C). Tourism Tasmania publishes the websites using a content management system that is widely used by government organisations, universities, art galleries, large museums and commercial enterprises in Australia and worldwide. On the website, Tourism Tasmania provides accessible product, attractions and tours to ensure this market segment can easily find them.

RIGHT TO INFORMATION

Tourism Tasmania responds to requests for information in accordance with the *Right to Information Act 2009*. The Act allows members of the public the right to access information held by the government and its agencies, with the exception of information deemed by the Act to be exempt. In 2016-17 there were no requests for information from Tourism Tasmania.

GOVERNMENT PROCUREMENT

Tourism Tasmania undertakes procurement in accordance with the mandatory requirements of the Treasurer's Instructions, including ensuring Tasmanian businesses are given every opportunity to compete for agency business. Tourism Tasmania's policy is to support Tasmanian businesses whenever they offer best value for money for the government. The following details are provided in accordance with Treasury Instruction 1111 for all contracts awarded and procurement processes undertaken (excluding consultancies) during the 2016-17 financial year with values in excess of \$50,000.

Summary of participation by local businesses	No.
Total number of contracts awarded	3
Total number of contracts awarded to Tasmanian businesses	1
Value of contracts awarded	\$1,603,700
Value of contracts awarded to Tasmania businesses	\$59,800
Total number of tenders called and written quote processes run	3
Total number of bids and/or written quotations received	19
Total number of bids and/or written quotations received from Tasmanian businesses	1

WORKPLACE HEALTH AND SAFETY

Tourism Tasmania actively manages workplace health and safety by identifying risks and addressing problems promptly.

Activities undertaken during 2016-17

Activity	No.
Number of staff participating in health and wellbeing initiatives	28
Number of new incidents received	2
Number of new workers' compensation claims received	1
Employee assistance program – number of people attending	8
Fire wardens	4

CONTRACTS AND CONSULTANTS

The following tables provide detailed information on Tourism Tasmania's contracts and consultancies procured or awarded during 2016-17.

Contractor	Location	Description	Period	Total Value
Media Equation Pty Ltd	Vic, Australia	Digital Asset Management	3 Oct 2017 to 2 Oct 2018	\$63,900
Taylor Nelson Sofres Australia Pty Ltd (TNS)	NSW, Australia	Market Research Services	1 July 2016 to 30 September 2018	\$1,480,000
Tascon Constructions Pty Ltd	Tasmania	Building Services	6 June 2017 to 7 July 2017	\$59,800

CONSULTANCY CONTRACTS WITH A VALUE OF \$50 000 OR OVER (EXCLUDING GST)

Nil

CONTRACTS AWARDED BECAUSE OF AN EXEMPTION TO TII 14 CONTRACTOR

Nil

CONTRACTS EXTENSIONS/APPROVED IN ACCORDANCE WITH TII 15

Nil

CONTRACTS EXECUTED IN ACCORDANCE WITH TII 14(1)(9) CONTAINING CONFIDENTIALITY PROVISIONS AS A RESULT OF APPROVAL BY HEAD OF AGENCY.

Contract Partner	Date of Approval by Head of Agency on the inclusion of confidentiality provision
Jetstar Airways Pty Ltd	4 July 2017
Jetstar Airways Pty Ltd	18 July 2017
Flight Centre	5 May 2017
Flight Centre(Escape)	30 June 2016
Escape Travel	26 April 2017
Tiger	21 August 2017
HelloWorld	10 June 2016
HelloWorld	18 July 2017
Spirit of Tasmania	12 May 2017
Expedia	21 July 2017
Expedia	30 February 2016
P&O	19 December 2016

LIST OF PUBLICATIONS

Subscriptions to the Discover Tasmania newsletter grew from around 150 000 to 173,000, an increase of around 23,000 or 15 per cent.

RESEARCH

Tasmanian Tourism Snapshot (Quarterly)

Tourism Info Monitor (Quarterly)

CORPORATE

Tourism Tasmania Annual Report 2015-2016

Corporate Plan 2015-2020

Statement of Corporate Intent 2015-2020

Tourism Tasmania's International Market Approach

Fast Facts (Quarterly)

NEWSLETTERS

Discover Tasmania newsletter

Tourism Talk newsletter

WEBSITES

www.discovertasmania.com.au

www.gobehindthescenery.com.au

www.tourismtasmania.com.au

www.tassietrade.com.au

www.discovertasmania.com.au/our/china

www.discovertasmania.com.au/our/malaysia

www.discovertasmania.com.au/our/singapore

www.discovertasmania.com.au/our/hong-kong

FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

34. CERTIFICATION OF FINANCIAL STATEMENTS

35. Statement of Comprehensive Income for the year ended 30 June 2017

36. Statement of Financial Position as at 30 June 2017

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38. Statement of Changes in Equity for the year ended 30 June 2017

39. Notes to and forming part of the Financial Statements for the year ended 30 June 2017

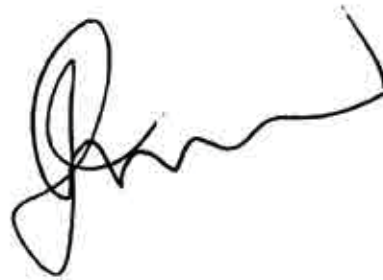
CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying Financial Statements of Tourism Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and Part 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2017 and the financial position as at the end of the year.

At the date of signing we were not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



John Fitzgerald
CHIEF EXECUTIVE OFFICER
18 September 2017



James Cretan
CHAIR OF THE BOARD
18 September 2017

TOURISM TASMANIA

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue — recurrent	3.1	26,800	26,300	25,890
Sales of goods and services		...	...	6
Recoveries	3.2	400	639	709
Total revenue and other income from transactions		27,200	26,939	26,605
Expenses from transactions				
Employee benefits	4.1	5,855	5,734	5,829
Depreciation and amortisation	4.2	177	193	191
Supplies and consumables	4.3	5,426	3,808	5,477
Grants and subsidies	4.4	1,517	2,040	1,710
Advertising and promotion	4.5	14,335	15,035	13,120
Other expenses	4.6	67	114	89
Total expenses from transactions		27,377	26,924	26,416
Net result from transactions (net operating balance)		(177)	15	189
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5.1	...	...	(185)
Net gain/(loss) on financial liabilities	5.2	...	...	197
Total other economic flows included in net result		...	...	12
Net result from continuing operations		(177)	15	201
Net result		(177)	15	201
Comprehensive result		(177)	15	201

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

Budget information refers to original estimates and has not been subject to audit.

TOURISM TASMANIA

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	9.1	1	422	74
Receivables	6.1	99	261	219
<i>Non-financial assets</i>				
Leasehold improvements	6.2	202	368	349
Plant and equipment	6.2	...	92	...
Intangibles	6.3	246	245	400
Other assets	6.4	450	673	505
Total assets		998	2,061	1,547
Liabilities				
Payables	7.1	75	36	49
Provisions		96	...	...
Employee benefits	7.2	1,277	1,312	1,303
Other liabilities	7.3	6	557	54
Total liabilities		1,454	1,905	1,406
Net assets/(liabilities)		(456)	156	141
Equity				
Accumulated funds/(deficit)		(456)	156	141
Total equity/(deficit)		(456)	156	141

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

Budget information refers to original estimates and has not been subject to audit.

TOURISM TASMANIA STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts – recurrent		26,800	26,800	25,890
Sales of goods and services		...	1	7
GST receipts	2.3	...	1,560	1,762
Other cash receipts	2.3	400	755	642
Total cash inflows		27,200	29,116	28,301
Cash outflows				
Employee benefits		(5,855)	(5,785)	(5,915)
Supplies and consumables	2.3	(5,426)	(3,828)	(5,143)
Grants and subsidies	2.3	(1,517)	(2,040)	(1,710)
GST payments		...	(1,717)	(1,769)
Advertising and promotion		(14,335)	(15,212)	(13,259)
Other cash payments		(67)	(56)	(90)
Total cash outflows		(27,200)	(28,638)	(27,886)
Net cash from (used by) operating activities	9.2	...	478	415
Cash flows from investing activities				
Cash inflows				
Proceeds of Sale of Non-Financial Assets		...	...	...
Total cash inflows		...	...	...
Cash outflows				
Payments for acquisition of non-financial assets		...	(130)	(371)
Total cash outflows		...	(130)	(371)
Net cash from (used by) investing activities		...	(130)	(371)
Net increase (decrease) in cash held and cash equivalents		...	348	44
Cash and deposits at the beginning of the reporting period		1	74	30
Cash and deposits at the end of the reporting period	9.1	1	422	74

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

Budget information refers to original estimates and has not been subject to audit.

TOURISM TASMANIA STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2016	141	141
Total comprehensive result	15	15
Balance as at 30 June 2017	156	156

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2015	(60)	(60)
Total comprehensive result	201	201
Balance as at 30 June 2016	141	141

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

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NOTE 1 TOURISM TASMANIA OUTPUT SCHEDULE

1.1 Output Group Information

Tourism Tasmania's role is to create demand for travel to the State by connecting people culturally and emotionally to Tasmania through domestic and international marketing programs that lead and activate the Tasmanian brand, and grow economic and social value.

Tourism Tasmania only has a single output to fulfil its role. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of Comprehensive Income. Therefore, the inclusion of a separate Output Schedule is not necessary.

Explanations of material variances between budget and actual outcomes are provided in Note 2 below. A reconciliation of the net result of the Output Group to the net surplus on the Statement of Comprehensive Income is not necessary as Tourism Tasmania only has one output group. For the same reason there is no separate reconciliation between the total net assets deployed for the Output Group to net assets on the Statement of Financial Position.

NOTE 2 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$50,000.

Tourism Tasmania has a focused Annual Operating Plan (AOP) that is overseen by a Board of Directors with the funding aligned to projects and performance is monitored against that budget, this differentiates from the original budget in the Financial Statements that is calculated by Treasury through BMS with budget aligned to type of expenditure.

2.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Recoveries	(a)	400	639	239	60%
Supplies and consumables	(b)	5,426	3,808	1,618	30%
Grants and subsidies	(c)	1,517	2,040	(523)	(34%)

Notes to Statement of Comprehensive Income variances

- (a) Recoveries, include contributions from the Department of State Growth towards Regional Tourism Organisation (RTO) funding (\$0.23M) and towards Access and Aviation (\$0.2M).
- (b) Variance to original budget and prior period actuals due to Contracted services – marketing expenses previously classified as Supplies and Consumables.
- (c) Grant Payments for Regional tourism support was partly funded by the Department of State Growth, with \$230,000 received from the Department in recoveries (a). Grant Payments for Quarter One FY18 was additionally funded to Regional Tourism Organisations of \$300,000.

2.2 Statement of Financial Position

	Note	Budget \$'000	2017 Actual \$'000	2016 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	1	422	74	421	348
Receivables	(b)	99	261	219	162	42
Plant and equipment	(c)	...	92	...	92	92
Leasehold improvements	(d)	202	368	349	166	19
Other assets	(e)	450	673	505	223	168
Provisions	(f)	96	...	...	96	...
Other liabilities	(g)	6	557	54	(551)	(503)

Notes to Statement of Financial Position variances

- (a) Variance reflects \$0.5M of appropriation revenue held for carry forward to 2017-18 under section 8A(2) of the *Public Account Act*, partly offset by GST and PAYG control accounts.
- (b) Predominantly the June GST refund receivable.
- (c) Increase in plant and equipment reflects the purchase of a conference room table, and surface hubs (interactive touch screens) for the Tourism Tasmania offices.
- (d) Variance reflects expenditure on conference room alterations (work in progress).
- (e) Variance to budget reflects higher than expected prepayments over the year end. Variance to prior year includes additional prepayment to Jim Jams retainer \$73,000 and prepayment to Vivid Marketing Services representative fees \$144,000.
- (f) Nil provisions, budget needs to be adjusted accordingly.
- (g) Variance primarily due to unanticipated revenue received in advance for carry forward to 2017-18 under s8A of the *Public Account Act* (\$0.5M), and liability for PAYG tax carried over the year end.

2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Other cash receipts	(a)	400	755	355	89%
GST receipts	(b)	...	1,560	1,560	100%
GST payments	(c)	...	(1,717)	(1,717)	(100%)
Supplies and consumables	(d)	(5,426)	(3,828)	1,598	29%
Grants and subsidies	(e)	(1,517)	(2,040)	(523)	(34%)
Payments for acquisition of non-financial assets	(f)	...	(130)	(130)	(100%)

Notes to Statement of Cash Flows variances

- (a) Recoveries exceeded expectation, including contributions from the Department of State Growth towards Regional Tourism Organisation (RTO) funding (\$0.23M) and towards Access and Aviation (\$0.2M).
- (b) and (c) Net difference between GST receipts and payments \$0.16M. No budget set.
- (d) Variance to original budget and prior period actuals due to Contracted services – marketing expenses previously classified as Supplies and Consumables, now reclassified to Advertising and Promotion expenses.
- (e) Grant Payments for Regional tourism support was partly funded by the Department of State Growth, with \$230,000 received from the Department in recoveries (a). Grant Payments for Quarter One FY18 was additionally funded to Regional Tourism Organisations of \$300,000.
- (f) Variance represents unbudgeted purchase of a conference room table and surface hubs (interactive touch screens) for the Tourism Tasmania offices, and expenditure on conference room alterations (work in progress).

NOTE 3 INCOME FROM TRANSACTIONS

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

3.1 Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which Tourism Tasmania gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 3.1, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations and appropriations carried forward under section 8A(2) of the *Public Account Act 1986*.

The Budget information is based on original estimates and has not been subject to audit.

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Appropriation revenue – recurrent			
Current year	26,800	26,800	25,890
Less: Revenue received in advance	...	(500)	...
Total revenue from Government	26,800	26,300	25,890

Variance between budget and actual is due to \$500,000 of the Aviation Marketing Development Fund (AMDF) being carried forward to FY18.

3.2 Recoveries

	2017 Actual \$'000	2016 Actual \$'000
Supplies and Consumables	...	203
Aviation and Access	200	91
Grants and Subsidies	260	230
Marketing activities	157	143
Other recoveries	22	42
Total Recoveries	639	709

Note Recoveries include Grant Funding of (\$0.03M) to Tourism Industry Council Tasmania (TICT, contributions from the Department of State Growth towards Regional Tourism Organisation (RTO) funding (\$0.23M) and Access and Aviation (\$0.2M).

NOTE 4 EXPENSES FROM TRANSACTIONS

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.1 Employee Benefits

Employee Benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses	2017 \$'000	2016 \$'000
Wages and salaries	4,397	4,435
Annual leave	291	331
Long service leave	79	75
Sick leave	122	146
Superannuation – defined benefit scheme	53	65
Superannuation – contribution schemes	537	540
Other post-employment benefits	101	95
Other employee expenses	154	142
Total	5,734	5,829

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an agency contribution rate determined by the Treasurer, on the advice of the State Actuary. The current agency contribution is 12.85 per cent (2016: 12.75 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2016: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.35 per cent (2016: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2017	SHORT-TERM BENEFITS		LONG-TERM BENEFITS		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Super annuation	Other Benefits & Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
Board Members						
James Cretan, Chairperson	52	...	5	...	...	57
Simon Carrant	29	...	3	...	...	32
Brett Torossi	32	...	3	...	...	35
Michelle Cox	29	...	3	...	...	32
Kate Vale	29	...	3	...	...	32
Rebecca King	29	...	3	...	...	32
Management personnel						
John Fitzgerald, CEO*	243	7	23	11	...	284
Mark Jones, Chief Operations Officer	152	3	14	(2)	...	167
Anthony Quarmby, Director of Consumer Marketing	160	3	15	...	...	192
Guy Taylor, Executive Director of Marketing (to 28/8/2016)	33	1	3	...	...	37
Emma Terry, Chief Marketing Officer (from 2/5/2017)	34	1	3	...	...	38
Johan Van Pelt, Director Aviation & Access Development	165	...	15	...	...	180
Total	987	15	93	9	...	1,104

2016	SHORT-TERM BENEFITS		LONG-TERM BENEFITS		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Super annuation	Other Benefits & Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
Board Members						
James Cretan, Chairperson	53	...	5	...	...	58
Simon Carrant	29	...	3	...	...	32
Brett Torossi	35	...	3	...	...	38
Dallas Newton (to 11/08/2015)	6	...	1	...	...	7
Michelle Cox	29	...	3	...	...	32
Kate Vale	29	...	3	...	...	32
Rebecca King (from 15/09/2015)	23	...	2	...	...	25
Management personnel						
John Fitzgerald, CEO	246	6	23	8	...	283
Mark Jones, Director Operations & Planning	154	3	15	5	...	177
Guy Taylor, Executive Director of Marketing	210	20	20	7	...	257
Total	814	29	78	20	...	941

*The CEO is also a Board Director as provided by section 8, part 3 of the *Tourism Tasmania Act 1996*.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Tourism Tasmania, directly or indirectly.

Remuneration during 2016-17 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Short-term benefits include motor vehicle and car parking fringe benefits in addition to annual leave and any other short term benefits. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis. Long term employee expenses include long service leave, superannuation obligations and termination payments.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(c) Related party transactions

AASB 124 Related Party Disclosures requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that Tourism Tasmania financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by Tourism Tasmania. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to the Tourism Tasmania normal activities, are not included in this note.

The aggregate value of related party transactions and outstanding balances (if any) is as follows:

	2017 Aggregate value of transactions \$'000	30 June 2017 Total Amount Outstanding or Committed \$'000
Purchase of goods	4	...

4.2 Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements, once the asset is held ready for use.

Leasehold improvements 5-12 years

Depreciation is provided for on a straight-line basis using rates which are reviewed annually. The major depreciation period is:

Plant and equipment 3-25 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by Tourism Tasmania. The major amortisation period is:

Software 5 years

(a) Depreciation

	2017 \$'000	2016 \$'000
Plant and equipment	1	...
Total	1	...

(b) Amortisation

	2017 \$'000	2016 \$'000
Intangibles	155	155
Leasehold Improvements	37	36
Total	192	191
Total depreciation and amortisation	193	191

4.3 Supplies and Consumables

Supplies and consumables, including audit fees, communications, information technology, operating lease costs, property expenses, purchase of goods and services, travel and transport, and legal expenses, are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

	2017 \$'000	2016 \$'000
Audit fees – financial audit	48	40
Audit fees – internal audit	62	53
Operating lease costs	423	543
Consultants	22	8
Contracted services	514	2,112
Corporate overhead fee	1,214	1,214
Property expenses	52	229
Maintenance	36	3
Communications	96	101
Information technology	728	352
Travel and transport	369	615
Other supplies and consumables	244	207
Total	3,808	5,477

Increase in Information Technology due to replacement of laptop fleet, contemporising of websites for Trade, corporate, and DT.com and implementation of reporting tool for tracking of social media.

Variance to original budget and prior period actuals due to Contracted services – marketing expenses previously classified as Other Supplies and Consumables, now reclassified to Advertising and Promotion expenses.

4.4 Grants and Subsidies

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when Tourism Tasmania has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2017 \$'000	2016 \$'000
Regional tourism support	1,500	1,200
Contribution to Tasmanian Visitor Information Network (TVIN)	340	340
Contribution to Tourism Industry Council Tasmania (TICT)	200	170
Total	2,040	1,710

Grant Payment for Quarter one 2017-18 of \$300,000 was funded to Regional Tourism Organisations in 2016-17.

Department of State Growth contributed \$230,000 towards Regional tourism support and \$30,000 towards Tourism Industry Council Tasmania (TICT), shown as a recovery in the Statement of Comprehensive Income.

4.5 Advertising and Promotion

Advertising and promotion are recognised as expenses when a decrease in future economic benefits related to a decrease in assets or an increase in a liability has arisen that can be measured reliably.

	2017 \$'000	2016 \$'000
On-line advertising	3,419	4,571
Media advertising	2,107	2,259
Co-operative/partnership marketing	3,706	3,096
Industry trade promotions	493	821
Visitor Joint Promotion (VJP) expenses	694	628
Overseas representative expenses	...	636
Other advertising/promotional expenses	1,591	1,109
Contracted Services - Marketing	2,693	...
Non staff travel expenses	332	...
Total	15,035	13,120

Total direct marketing Spend of \$16.020 million for 2017 which included Advertising and Promotion of \$15.035 million but also comprised of Supplies and Consumables \$822,000 and Employee Benefits for Guide Salaries \$163,000

4.6 Other Expenses

Other expenses are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

	2017 \$'000	2016 \$'000
Salary on costs	52	53
Seminars and conferences	59	32
Other	3	4
Total	114	89

NOTE 5 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

5.1 Net gain/(loss) on non-financial assets

	2017 \$'000	2016 \$'000
Net loss on disposal of Leasehold improvements on vacation of 22 Elizabeth Street Hobart and Cornwall Square Launceston premises	...	(185)
Total net gain/(loss) on non-financial assets	...	(185)

5.2 Net gain/(loss) on financial liabilities

	2017 \$'000	2016 \$'000
Net gain on the write-off of the provision to make good on vacation of 22 Elizabeth Street Hobart and Cornwall Square Launceston premises	...	197
Total net gain/(loss) on financial liabilities	...	197

NOTE 6 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to Tourism Tasmania and the asset has a cost or value that can be measured reliably.

6.1 Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

	2017 \$'000	2016 \$'000
Receivables	1	127
Tax assets	260	92
Total	261	219
Settled within 12 months	261	219
Settled in more than 12 months	...	...
Total	261	219

6.2 Leasehold Improvements and plant and equipment

(i) Valuation basis

Non-current physical assets are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Tourism Tasmania and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by Tourism Tasmania is \$10,000 for all assets. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

Leasehold Improvements

(a) Carrying amount	2017 \$'000	2016 \$'000
Leasehold improvements		
At cost	370	370
Less: Accumulated amortisation	(58)	(21)
	312	349
Work in progress (at cost)	56	...
Total leasehold improvements	368	349

(b) Reconciliation of movements

	2017 \$'000	2016 \$'000
Carrying amount at 1 July	349	199
Additions – 3/15 Murray Street Hobart	55	370
Disposals – 22 Elizabeth Street Hobart and Cornwall Square Launceston	...	(185)
Amortisation expense	(36)	(35)
Carrying amount at 30 June	368	349

Plant and equipment

(a) Carrying amount	2017 \$'000	2016 \$'000
Plant and equipment		
At cost	93	...
Less: Accumulated amortisation	(1)	...
Total plant and equipment	92	...

Plant and Equipment costs are for Public Art and office collaborative technology devices.

(b) Reconciliation of movements

	2017 \$'000	2016 \$'000
Carrying amount at 1 July	...	...
Additions	93	...
Depreciation expense	(1)	...
Carrying amount at 30 June	92	...

6.3 Intangibles

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to Tourism Tasmania; and
- the cost of the asset can be reliably measured.

Intangible assets held by Tourism Tasmania are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangibles are valued at cost less any accumulated amortisation and any accumulated impairment losses.

(a) Carrying amount

	2017 \$'000	2016 \$'000
Intangibles with a finite useful life		
Software at cost	776	776
Less: Accumulated amortisation	(531)	(376)
Total	245	400

(b) Reconciliation of movements

	2017 \$'000	2016 \$'000
Carrying amount at 1 July	400	556
Amortisation expense	(155)	(156)
Carrying amount at 30 June	245	400

6.4 Other Assets

Other assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to Tourism Tasmania and the asset has a cost or value that can be measured reliably.

	2017 \$'000	2016 \$'000
Other assets		
Prepayments	673	505
Total	673	505
Utilised within 12 months	672	505
Utilised in more than 12 months	1	...
Total	673	505

NOTE 7 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

7.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when Tourism Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.

	2017 \$'000	2016 \$'000
Creditors	36	28
Accrued expenses	...	21
Total	36	49
Settled within 12 months	36	49
Settled in more than 12 months	...	...
Total	36	49

Settlement is usually made within 30 days.

7.2 Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2017 \$'000	2016 \$'000
Accrued salaries	43	20
Annual leave	408	364
Long service leave	859	914
Other provisions	2	5
Total	1,312	1,303
Settled within 12 months	507	429
Settled in more than 12 months	805	874
Total	1,312	1,303

7.3 Other Liabilities

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

	2017 \$'000	2016 \$'000
Other liabilities		
Appropriation carried forward from under section 8A of the <i>Public Account Act 1986</i>	500	...
Employee benefits – on-costs	8	9
PAYG withholding tax liability over year end	49	45
Total	557	54
Settled within 12 months	554	48
Settled in more than 12 months	3	6
Total	557	54

Variance between budget and actual is due to \$500,000 of the Aviation Marketing Development Fund (AMDF) being carried forward to FY18.

NOTE 8 COMMITMENTS AND CONTINGENCIES

8.1 Schedule of Commitments

	2017 \$'000	2016 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	4,091	4,294
Total lease commitments	4,091	4,294
<i>Other Commitments</i>		
Program commitments	9,280	7,460
Total other commitments	9,280	7,460
Total	13,371	11,754
By maturity		
<i>Operating lease commitments</i>		
One year or less	441	403
From one to five years	2,215	2,083
More than five years	1,435	1,808
Total lease commitments	4,091	4,294
<i>Other commitments</i>		
One year or less	4,363	4,240
From one to five years	4,918	3,220
More than five years	...	...
Total other commitments	9,280	7,460
Total	13,371	11,754

Tourism Tasmania has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

Tourism Tasmania is prohibited by *Treasurer's Instruction 502 Leases* from holding finance leases.

Operating leases are associated with rental costs for leased premises occupied by Tourism Tasmania, office equipment and motor vehicles leased through the Government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. Tourism Tasmania entered into a new 10 year lease at 15 Murray Street Hobart effective 1 July 2015.

The Program commitments shows amounts approved to clients payable over a period of one year or greater on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment.

8.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

As at 30 June 2017, Tourism Tasmania did not have any contingent assets or liabilities.

NOTE 9 CASH FLOW RECONCILIATION

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Deposits are recognised at amortised cost, being their face value.

9.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by Tourism Tasmania and other cash held.

	2017 \$'000	2016 \$'000
Special Deposits and Trust Fund balance		
T535 Operating Account	421	73
Total	421	73
Other cash held		
Petty cash float	1	1
Total	1	1
Total cash and deposits	422	74

Variance reflects \$0.5M of appropriation revenue held for carry forward to 2017-18 under section 8A(2) of the *Public Account Act*, partly offset by GST and PAYG control accounts

9.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2017 \$'000	2016 \$'000
Net result	15	201
Increase (decrease) S8A(2) Carry forwards	500	...
Depreciation and amortisation	193	191
(Gain)/loss on the disposal of non-financial assets	...	185
Acquisition of plant and equipment	(20)	...
Decrease (increase) in Receivables	(42)	(120)
Decrease (increase) in Other assets	(168)	237
Increase (decrease) in Employee benefits	9	(87)
Increase (decrease) in Payables	(13)	(41)
Increase (decrease) in Provisions	...	(197)
Increase (decrease) in Other liabilities	4	46
Net cash from (used by) operating activities	478	415

NOTE 10 FINANCIAL INSTRUMENTS

10.1 Risk Exposures

(a) Risk management policies

Tourism Tasmania has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;

The Tourism Tasmania Board of Directors has overall responsibility for the establishment and oversight of Tourism Tasmania's risk management framework. Risk management policies are established to identify and analyse risks faced by Tourism Tasmania, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to Tourism Tasmania if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The credit risk on financial assets of Tourism Tasmania which have been recognised in the Statement of Financial Position is the carrying amount, net of any provision for doubtful debts. Tourism Tasmania extends 30 day credit terms for sundry receivables.

Tourism Tasmania is not materially exposed to any individual overseas country or individual customer. Concentrations of credit risk by industry on Account Receivables are 100%.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Tourism Tasmania does not earn any interest on funds held.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents Tourism Tasmania's maximum exposure to credit risk without taking into account of any collateral or other security.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2017 but not impaired

	Not past due \$'000	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	1	...	...	...	1

Analysis of financial assets that are past due at 30 June 2016 but not impaired

	Not past due \$'000	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	99	10	5	14	127

(c) Liquidity risk

Liquidity risk is the risk that Tourism Tasmania will not be able to meet its financial obligations as they fall due. Tourism Tasmania's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due on the basis of continued funding from the Government.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when Tourism Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.	Tourism Tasmania's terms of trade are 30 days.

The following tables detail the undiscounted cash flows payable by Tourism Tasmania relating to the remaining contractual maturity for its financial liabilities:

2017

Maturity analysis for financial liabilities

	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	36	...	...	...	...	...	36	36
Total	36	...	...	...	...	...	36	36

2016

Maturity analysis for financial liabilities

	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	49	...	...	...	...	...	49	49
Total	49	...	...	...	...	...	49	49

NOTE 11 EVENTS OCCURRING AFTER BALANCE DATE

There have been no events subsequent to balance date which would have a material effect on Tourism Tasmania's Financial Statements as at 30 June 2017.

NOTE 12 OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

12.1 Objectives and Funding

Tourism Tasmania's role is to create demand for travel to the State by connecting people culturally and emotionally to Tasmania through domestic and international marketing programs that lead and activate the Tasmanian brand, and grow economic and social value.

The principles that will guide our actions focus on understanding Tasmania's uniqueness, challenging traditional thinking, being consumer-centric and being accountable, yet fearless.

Under T21 – *The Tasmanian Visitor Economy Strategy 2015-20* the government and the industry will collectively focus on four priorities to reach the 1.5 million visitor goal and generate the improved economic benefits. Under this joint approach, Tourism Tasmania will focus on stimulating more demand for leisure travel to Tasmania as its main contribution to reaching the 1.5 million visitor goal.

Tourism Tasmania activities are classified as controlled.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by Tourism Tasmania in its own right.

The activities of Tourism Tasmania predominantly funded through Parliamentary appropriations. The Financial Statements encompass all funds through which Tourism Tasmania controls resources to carry on its functions.

12.2 Basis of Accounting

The Financial Statements are general purpose Financial Statements and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by Tourism Tasmania Chief Executive Officer and the Chair of the Board on 18 September 2017.

Compliance with the Australian Accounting Standards (AASBs and AASs) may not result in compliance with International Financial Reporting Standards (IFRS), as the AASBs and AASs include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. Tourism Tasmania is considered to be not-for-profit and has adopted some accounting policies under AASBs and AASs that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 12.5 right.

The Financial Statements have been prepared on the basis that Tourism Tasmania is a going concern. The continued existence of Tourism Tasmania in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for Tourism Tasmania's administration and activities.

Tourism Tasmania has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities in the next reporting period.

12.3 Reporting Entity

From 1 July 2014, Tourism Tasmania became a State Authority and State Service Agency established under the *State Service Act 2000*.

The Financial Statements include all the controlled activities of Tourism Tasmania. The Financial Statements consolidate material transactions and balances of Tourism Tasmania its output group.

12.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is Tourism Tasmania's functional currency.

12.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, Tourism Tasmania has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. There will be no material financial impact, however there will be additional disclosures.
- *2015 10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* – The objective of this Standard is to make amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* as a consequence of the issuance of International Financial Reporting Standard Effective Date of Amendment to IFRS 10 and IAS 28 by the International Accounting Standards Board in December 2015. This Standard applies to annual reporting periods beginning on or after 1 January 2016. The impact is a revised application date. There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 9 Financial Instruments and 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* – the objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. Tourism Tasmania has not yet determined the potential effect of the revised Standard.
- *AASB 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with *2016-7 Amendments to Australian Accounting Standards - Effective Date of AAS 15*, for not for profit entities this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. Tourism Tasmania has not yet determined the potential effect of the revised Standard.
- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of *AASB 15 Revenue from Contracts with Customers*. This Standard applies to annual reporting periods beginning on or after 1 January 2017, except that the amendments to *AASB 9 (December 2009)* and *AASB 9 (December 2010)* apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when *AASB 15* is applied. Tourism Tasmania has not yet determined the potential effect of the revised Standard on Tourism Tasmania's Financial Statements.
- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend *AASB 107 Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- *2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15* – The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. Tourism Tasmania has determined that the potential impact is nil.
- *AASB 16 Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. Tourism Tasmania has not yet determined the potential effect of the revised Standard on Tourism Tasmania's Financial Statements.
- *2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* – The objective of this Standard is to amend *AASB 136 Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*, with the consequence that *AASB 136* does not apply to such assets that are regularly revalued to fair value under the revaluation model in *AASB 116* and *AASB 138*, and *AASB 136* applies to such assets accounted for under the cost model in *AASB 116* and *AASB 138*. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The impact is enhanced disclosure in relation to non-cash-generating specialised assets of not-for-profit entities. Tourism Tasmania has determined that the potential impact is nil.
- *AASB 1058 Income of Not-for-Profit Entities* – The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. Tourism Tasmania has determined that the potential impact is nil.

12.6 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated gains and losses are not material.

12.7 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of any changes in accounting policy on comparative figures are at Note 12.5.

12.8 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero and are indicated by the symbol "...".

12.9 Taxation

Tourism Tasmania is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

12.10 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

12.11 Non traded investments

In June 2001 Tourism Tasmania along with all the other State tourism authorities, and Tourism Australia contributed share capital in the establishment of Australian Tourism Data Warehouse Pty Ltd (ATDW). ATDW is a company limited by share, incorporated in NSW. The company is a central content and distribution platform for the Australian tourism industry.

Tourism Tasmania believes that because of the nature of ATDW and its shareholders and restrictions in the shareholder agreement, the shares have little value using the definition in AASB 13 of fair value. The standard defines 'fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.



Independent Auditor's Report

To the Members of Parliament

Tourism Tasmania

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Tourism Tasmania (the Authority), which comprises the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Chair of the Board and Chief Executive Officer.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the financial position of the Authority as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Tourism Tasmania Act 1996*, *Financial Management and Audit Act 1990* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Authority's financial statements.

Responsibilities of Management and the Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Section 38 of the *Tourism Tasmania Act 1996* and the financial reporting requirements of Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority is to be dissolved by an Act of Parliament, or the directors intend to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

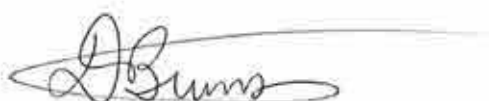
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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Derek S Burns
Acting Group Leader Financial Audit
Delegate of the Auditor-General

Tasmanian Audit Office

20 September 2017
Hobart

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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