

TOURISM TASMANIA

ANNUAL REPORT

2012-2013



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TOURISM TASMANIA

ANNUAL REPORT

2012-2013

ABOUT OUR ANNUAL REPORT

Tourism Tasmania's Annual Report 2012-13 details the Authority's performance during the year in review, describes core priorities that have shaped and contributed to that performance, explains how the Authority has achieved its stated goals within budget and provides a comprehensive financial report.

The Annual Report is available online at
www.tourismtasmania.com.au/publications/annual_report

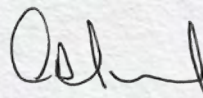
SUBMISSION TO THE MINISTER

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 2013.



Grant Hunt
Chairman
Board of Directors
October 2013

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OUR STRUCTURE AND WHO WE ARE

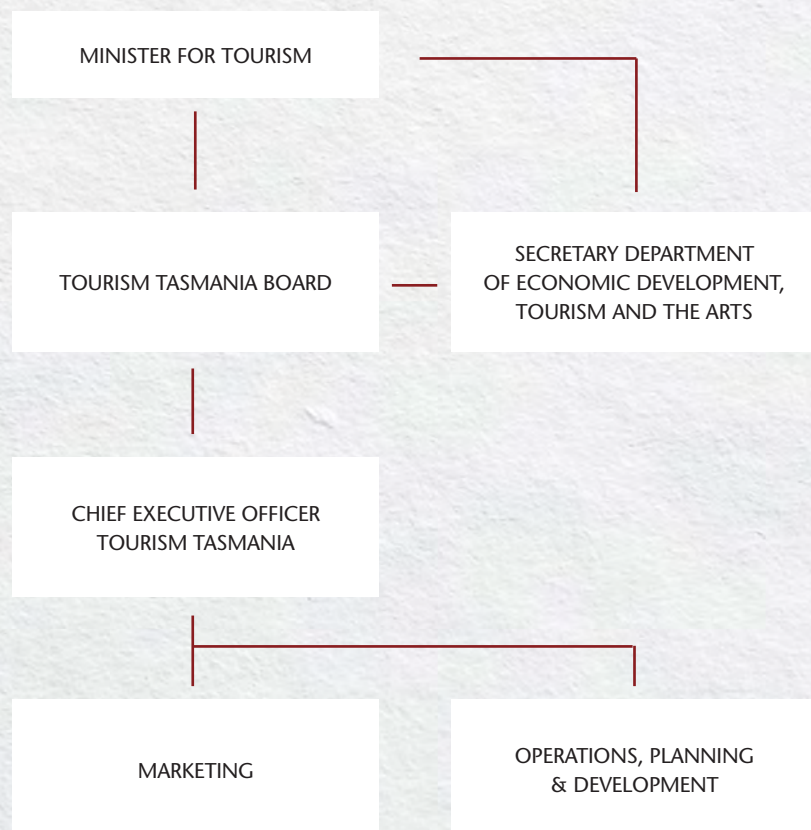
Tourism Tasmania is a statutory authority operating under the *Tourism Tasmania Act 1996*.

Tourism Tasmania is a statutory authority operating under the *Tourism Tasmania Act 1996*. It has an eight-member Board appointed by the Governor on the recommendation of the Minister. The Board has strong expertise in tourism development, marketing and commerce.

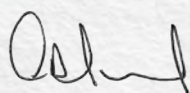
Tourism Tasmania's role is to lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism.

Tourism Tasmania is part of the greater Department of Economic Development, Tourism and the Arts. It links government and the private sector in marketing the assets which make Tasmania unique and works with the industry to achieve sustainable growth. It also provides strategic advice to the Minister for Tourism.

STRUCTURE AS AT JUNE 2013



CHAIRMAN'S REPORT



Grant Hunt
Chairman

Australia's tourism industry has been doing it tough these past few years, however we're now seeing signs the worst has past.

Visitor numbers to Tasmania have consistently increased over the past three quarters, with the most recent figures indicating a 10 % increase over the previous period – and while anything can still happen, the forward projections for the short term look good.

A scan of Australia's tourism industry, commissioned by Tourism Tasmania, also revealed a positive outlook for our industry over the medium and long term.

Changes in demand from our overseas markets, an increase in Australia's aging demographic, and the continuing adoption of new technologies that empower travellers to share their experiences, all provide Tasmania with significant opportunities for long-term sustainable growth.

Recognising this, Tourism Tasmania has, over the past 12 months, undertaken a range of projects aimed at consolidating our strengths and increasing the sustainability of our industry in anticipation of this inevitable return to growth.

Responding to changes in our overseas markets, we've rationalised our commitment to our traditional markets like Europe, the United States and Japan, while embracing high growth opportunities in new markets like China, Malaysia and Singapore.

A shift towards an aging demographic in Australia will see a change in the pattern and level of demand for tourism services. Fortunately for us, this increasingly older demographic is our largest market; it has the greatest value, and has the highest growth in arrivals. Continuing to engage with this audience is a must.

A revision of our domestic marketing strategy to better accommodate the needs of this group will see us move from a 'one message fits all' approach, to one that lets us deliver the right information, to the right people, at the right time; before, during and after their trip.

And to further strengthen this marketing capability, we've refreshed and redefined the tourism brand to give Tasmania a unique and consistent voice in an increasingly noisy market place.

The recent rise in mobile technology and social sharing websites also plays to our advantage. Our research tells us that, more than any other Australian state, word of mouth is the most effective way for us to engage a domestic audience, more so even than television or radio.

It therefore makes sense for us to make greater use of social media channels and third party advocacy to better promote the state. The redevelopment of our official travel website Discover Tasmania, currently underway, will help us to do just that.

Other projects coming to fruition this past year include the establishment of four regional tourism organisations to make better use of the state's marketing resources and a further expansion of our research capability to give us and our industry more reliable information with which to underpin our business decisions.

We are also working closely with our industry to review Tourism 21 – a joint strategic business plan between Tasmania's tourism industry and the Tasmanian Government. The plan sets out shared long-term goals for the growth of Tasmania's tourism industry and is being reviewed to make sure its goals and strategies remain achievable, challenging and relevant to prevailing and forecast market conditions.

This coming year will see us continue to consolidate our work and ensure the gains achieved to date are not lost. To that end, I welcome the appointment of John Fitzgerald as CEO and thank him for his steady hand in taking over the implementation of this ambitious reform agenda. I also thank the Board and staff of Tourism Tasmania for their support and hard work over this past year and I look forward to working with them to continue to grow the long term sustainability of our industry into the future.

CHIEF EXECUTIVE OFFICER'S REPORT



A handwritten signature in black ink, which appears to read 'John Fitzgerald'. The signature is written in a cursive, flowing style.

John Fitzgerald
CEO, Tourism Tasmania

Upon my appointment to the position of CEO in January this year, I was pleased to find that, after a significant restructure, Tourism Tasmania was successfully pursuing an ambitious agenda of reform aimed at ensuring the long-term sustainability of Tasmania's tourism industry.

Underpinning this success was the realignment of Tourism Tasmania's services to increase its focus on destination marketing. To that end, Tourism Tasmania initiated a range of projects to strengthen its marketing effort. These included the establishment of a regional tourism model for the state, a review and realignment of our approach to international marketing and the development of a new tourism brand to give Tasmania a unique identity in the market place.

Since then, we've also expanded our market research activities and commenced the redevelopment of our Discover Tasmania consumer website. We've also reviewed our approach to domestic marketing to better maximise the emerging opportunities of a changing social and technological world.

Although these projects are now well underway or fully completed, it's vital that we continue to consolidate and build on these priorities to ensure they achieve their goals.

To secure the long-term viability of our regional tourism model, we will continue to support our regional tourism organisations over the next two to three years to help them achieve autonomy and ensure they have the capability to deliver a full range of services to their stakeholders.

We will continue to interpret and reinterpret our new tourism brand through our marketing campaigns and consumer communications.

We will see the launch and further development of our consumer website, designed especially for tablet and mobile, that will place increased focus on third-party endorsement of the destination. The website will play a significant role in the way we market the state over the coming years.

And we will also see the creation of a new role within Tourism Tasmania to address the complex issues associated with access to and from the island. Access to Tasmania remains a critical constraint to the island's economic growth and Tourism Tasmania will work alongside other government department to help address these constraints.

The appointment of a whole-of-government Access Adviser, to be located within Tourism Tasmania, will research and recommend actions to address the constraints to economic growth arising from a lack of road and rail access to the island. Importantly, our aim is not just to increase visitation, but to ensure competitive access that will meet the demand and supply needs of the state across the entire year.

We are also reviewing *Tourism 21* – a joint strategic business plan between the tourism industry and the Tasmanian Government. T21 identifies ambitious shared long term goals for our industry and we are working to ensure those goals and strategies are realistic and remain relevant to the prevailing economic conditions of the day.

These initiatives are essential if we are to secure a competitive future for our tourism industry.

I thank the Board and staff for their warm welcome and support since my arrival and I look forward to an exciting and productive year ahead.

OUR BOARD 2012-13

Tourism Tasmania operates under the *Tourism Tasmania Act 1996* and is governed by an eight-member Board appointed by the Governor on the recommendation of the Minister.



GRANT HUNT

Grant Hunt is the Chairman of Tourism Tasmania Board of Directors. He is Executive Chairman of Anthology, a boutique nature based tourism management and marketing company which he owns and operates.

He is a member of the Uluru Kata Tjuta National Park Board of Management. He has held a number of board roles in the past including Chairman of Tourism Northern Territory, Director of Tourism Australia, ATEC, and Voyages Hotels and Resorts.

For more than a decade, Grant was the creator and Managing Director of one of Australia's leading tourism and travel brands – Voyages Hotels and Resorts – and became an industry pioneer in the area of corporate social responsibility and sustainable business practices. He is best known for his pioneering work in the development of projects such as Longitude 131 in Central Australia and Wildman Wilderness Lodge in Top End NT.

In 2012, Grant was awarded the Outstanding Contribution by an Individual at the Australian Tourism Awards and admitted into the HM Awards Hall of Fame.

He holds Masters of Management Degree, Bachelor of Education Degree and Diploma of Physical and Health Education from the University of Wollongong.



JOHN FITZGERALD

John Fitzgerald is CEO of Tourism Tasmania. 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. Previous to his appointment, John held the position of CEO at Tourism NT and was responsible for all aspects of the agency's strategy and operations.

Previous to this, John held the position of Chief Operating Officer at the Sustainable Tourism Cooperative Research Centre (STCRC), where he managed the successful completion of the seven- year STCRC program, influencing program design and implementation to ensure sector relevance. In this position John also led the development of a comprehensive online portal to disseminate information on sustainable tourism -Sustainable Tourism Online. Before then, John was CEO at Tourism Sunshine Coast, one of Queensland's major regional tourism organisations.

John has held numerous board, committee memberships and Directorships including with the NT Major Events Company, the Darwin Waterfront Corporation, the NT Aviation Committee, the Indigenous Tourism Working Group and the Queensland Tourism Industry Council.

John holds a Bachelor of Arts degree and is married with two children.



MARK KELLEHER

Mark Kelleher was appointed to the position of Secretary of the Department of Economic Development, Tourism and the Arts in May 2009.

As part of the role, Mr Kelleher is the Chief Executive of the Tasmanian Development Board and a member of the Tourism Tasmania Board. He is also a member of the Tasmanian Infrastructure Advisory Council, and the Tasmanian Leadership Institute.

Preceding his appointment to the Department of Economic Development, Tourism and the Arts, Mr Kelleher was Managing Director of Roaring 40s, a leading Australian-based renewable energy company developing and operating wind farms in Australia, China and India, from September 2005 until May 2009. During this time he was also a board member of the Australian Clean Energy Council.

Previously, Mr Kelleher was with Hydro Tasmania for approximately 12 years. During that time he held a number of senior positions including General Manager Business Development and General Manager Corporate and held lead roles in major projects, such as the Tasmanian electricity industry restructure, Basslink and entry into the National Electricity Market.

Before this, Mr Kelleher was with Telstra, where he held a number of key positions in financial and strategy areas, and was the Tasmanian Financial Controller before joining Hydro Tasmania.

Mr Kelleher has a Bachelor of Commerce (University of Tasmania) and is a Fellow of the Institute of Company Directors. He is also a graduate of the senior executive program at London Business School.



KIMBERLY SEAGRAM

Kim Seagram is co-owner and co-developer of the award winning Stillwater Restaurant and Black Cow Bistro in Launceston. She is currently Deputy Chair of the Northern Regional Reference Group for Economic Development, is a committee member of Harvest Launceston Community Farmers Market and is on the industry reference group for the Centre for Food Innovation. Prior to Stillwater, Kim and her husband developed and operated Launceston's Ripples Cafe as well as Lalla Gully Vineyard in the Pipers River region of north-east Tasmania.

In 1997 she was elected to the Vineyards Association of Tasmania's Committee of Management where she made a significant contribution to strategy and marketing development. She has held board positions on the Brand Tasmania Council, Launceston Chamber of Commerce and the Launceston Tamar and the North Zone Marketing Group. Prior to living in Tasmania, Kim held a number of positions in the Canadian Tourism Industry in operations, sales and promotion.

SIMON CURRANT

Simon Currant is a leading tourism developer and operator. He has developed iconic Tasmanian destinations, including Cradle Mountain Lodge, Strahan Village, Franklin Manor, Peppermint Bay and Hobart Cruises, and is currently developing the unique World Heritage Area site of Pumphouse Point at Lake St Clair in Tasmania's central highlands.

Simon also runs a tourism consultancy specialising in remote and natural area tourism, consulting both nationally and internationally on tourism planning, infrastructure and experience development.

Simon's developments have won 11 state and nine national tourism awards. He has also won national and state Best Small Business Awards, a Churchill Fellowship, was state winner and national finalist in the 2004 Entrepreneur of the Year, and was the 2004 Tasmanian of the Year. In 2006 Simon was honoured with a Member of the Order of Australia Award, for services to the tourism industry. In February 2013 Simon was awarded the Qantas Australian Tourism Award for Outstanding Contribution by an Individual to the Australian Tourism Industry.

Simon is Chairman of the Tourism Industry Council Tasmania, is a board member of Tourism Tasmania, and was a board member of TT-Line for 14 years. Under the Federal National Long Term Tourism Strategy, he is Chairman of the Tourism Quality Council of Australia.





BRETT TOROSSO

Brett Torossi is a well-respected property developer and business woman who focuses on creating and developing tourism, residential and commercial projects that explore her core values of sustainability, love and excellence. The results are dynamic and award winning.

Brett's accommodation experience, Avalon Retreats, is a collection of boutique tourism developments in Hobart and on Tasmania's stunning east coast.

All three properties reflect her signature values and have been recognised with state, national and international awards. Avalon Coastal Retreat was awarded the prestigious James Blackburn Triennial Award for excellence in architecture, Tasmanian Tourism awards in 2006, 2007, 2009, 2012 and Australia's Best Deluxe Accommodation at the 2009 National Tourism Awards.

Rocky Hills Retreat was awarded Best Unique Accommodation at the 2012 National Tourism Awards. And the newly opened Avalon City Retreat has already been awarded the Royal Institute of Architects' Peter Willmott Award for Small Projects.

Brett's other current projects include a major, innovative and sustainable development project in Launceston that will eventually be home to around 500 families.

Brett's board appointments include Wallis Watson Capital Ltd, an unlisted property development company based in Victoria, the Tasmanian Development Board, Tasmanian Early Years Foundation, and The Festival of Voices. She is also a Commissioner on the Tasmanian Planning Commission, a Trustee of the Tasmanian Museum and Art Gallery and holds a position on the national board of Creative Partnerships Australia.



DALLAS NEWTON

Dallas Newton is the owner and Managing Director of APT Day Tours in Sydney and Melbourne, a business he acquired from APT owner and founder, Geoff McGeary in 2006. Prior to that, Dallas was the Director of Sales and Marketing with APT Pacific Touring between 2001 and 2006.

Dallas cut his teeth in the coach touring business, commencing as a trainee accountant with APT Touring in 1980 before moving to rival AAT Kings in 1984 where he eventually became Managing Director. AAT Kings is a company with an annual turnover of \$35 million and over 200 employees. It was during his years at the head of AAT Kings that Dallas developed a strong reputation for innovation and leadership in the traditional distribution space, forging strong and lasting relationships with international travel wholesalers and Inbound Operators from all parts of the world.

Dallas holds a Bachelor of Business (Accounting) from RMIT. He has held positions on the Tourism Australia, Western Hemisphere Market Advisory Board; Tourism Australia, Indian Market Advisory Board (2011); and Victoria University Program Advisory Committee Marketing Faculty.

Dallas is currently a member of Tourism Tasmania's Audit Finance and Risk Committee.

KAREN SCOTT DAVIE

Karen is a non-executive director and consultant with over 15 years experience in digital strategy and technology innovation plus she is a fellow chartered accountant with ICAA.

Karen has held a number of C-suite roles including CEO, CFO, CIO and consulted across Australia, Asia, America, and Europe. This includes a position as the founding director of an internet startup company for 5 years for which she was awarded finalist in the Telstra Business Awards two consecutive years.

Recently engaged at the University of Technology, Sydney as director of Digital Sydney she has built strategic partnerships, and actively reviewed and tested technology innovation across Australia and Silicon Valley.

Her current board appointments include: – a Non Executive Director for Tasmanian Tourism (Department of Economic Development, Tourism and Arts DEDTA) and a Director CIO Executive Council of Australia and Director of Institute of Chartered Accountants Australia.

Karen is currently a member of Tourism Tasmania's Audit Finance and Risk Committee.



STATEMENT OF CORPORATE INTENT

To maximise the contribution of tourism to Tasmania's economic growth

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. As a result, this Statement takes a look forward to our role over the next three years.

STATEMENT OF CORPORATE INTENT: JULY 2013 TO JUNE 2016

This Statement of Corporate Intent is a summary of the *Tourism Tasmania Corporate Plan June 2013 to July 2016*. It recognises the authority's role as a leader in the tourism sector and seeks to align its overarching goals with the organisational priorities for the forthcoming three-year period. The Corporate Plan 2013-2016 recognises the dynamic nature of the global tourism landscape and the important role Tourism Tasmania plays in fostering the sustainable growth of Tasmanian tourism, while developing innovative and informed marketing initiatives that drive visitation to Tasmania.

OUR ROLE

Tourism Tasmania's clearly defined role is to:

Maximise the contribution of tourism to Tasmania's economic growth.

OUR GOALS

Tourism Tasmania's four goals are to:

1. Maximise Tasmania's tourism potential
2. Drive demand for Tasmania
3. Enhance industry's competitive position with market-leading research and sound policy advice
4. Be a highly effective organisation.

These goals are the result of a comprehensive and detailed analysis of the current environment and future trends in tourism and firmly establishes Tourism Tasmania's vision for the three-year period 2013-2016.

To achieve these four goals we have articulated our priorities for 2013-2016 and the strategic initiatives we will undertake to deliver benefits for the Tasmanian tourism industry. These can be found in full in the *Tourism Tasmania Corporate Plan 2013-2016*, available online at www.tourismtasmania.com.au/publications/corporate_plan

VISITORS TO TASMANIA

The Tasmanian Visitor Survey is a systematic sample survey of departing passengers at the airports in Hobart, Launceston, Devonport and Burnie as well as the Spirit of Tasmania terminal in Devonport.

In addition to the Tasmanian Visitor Survey, data is collected from the National Visitor Survey and the International Visitor Survey both conducted by Tourism Research Australia.

The following tables summarise the 2012-2013 results.

Key Indicators			
Visitors	12 months ending June '12	12 months ending June '13	% change
Total visitors*	929,200	1,066,300	15%

*All visitors on scheduled air and sea services, including cruise ship visitors.

The data below includes visitors on scheduled air and sea services, and does not include cruise ship visitors.

Total Nights	7.86 million	8.39 million	7%
Average length of stay	9.2 nights	8.7 nights	-5%
Expenditure (million)	\$1.37 million	\$1.51 million	10%
Holiday			
Visitors	345,700	383,900	11%
Nights	3.46 million	3.70 million	7%
Average Length of Stay	10 nights	9.6 nights	-4%
Expenditure (million)	\$874 million	\$956 million	9%

Source: Tasmanian Visitor Survey

International Visitors

Key Indicators			
International Visitors	12 months ending June '12	12 months ending June '13	% change
Total visitors	141,200	156,000	10%
Total Nights	2.87 million	3.18 million	11%
Average length of stay	20.3 nights	20.4 nights	0%
Expenditure (million)	\$249 million	\$258 million	4%
Holiday			
Visitors	100,900	105,200	4%
Nights	1.09 million	1.40 million	29%
Average Length of Stay	10.8 nights	13.4 nights	24%
Expenditure (million)	\$122 million	\$123 million	1%

Source: International Visitor Survey

HIGHLIGHTS 2012-13



Tourism Tasmania's innovative domestic campaign, *Behind the Scenery*, was the first to be built on Tasmania's new tourism brand.

Discover Tasmania, Tourism Tasmania's travel website, received 2 307 253 visits, a 12 per cent increase over the same period last year.

A product road show took 15 Tasmanian products to Sydney, Brisbane, Gold Coast and Newcastle to present to almost 300 travel agents.

An investment of \$177 650 in tactical campaigns with Tas Vacations, Infinity Holiday, Flight Centre, Wotif, Lastminute.com and VisitVineyards.com produced a total campaign media value of \$2 005 000.

Over the year, Tourism Tasmania's Building Opportunities for Business program provided mentoring assistance to 49 Tasmanian tourism businesses applying for grant funds.

Tasmania hosted an eight-member editorial crew from the leading US hiking lifestyle magazine Backpacker.

Tourism Tasmania's Save a Mainlander marketing campaign – a unique and slightly quirky two-month online promotion – saw the Save a Mainlander website receive 18 807 unique visits and over 79 700 page views.

Tasmania's Regional Tourism Organisations are now established in all four regions with their own Boards and Chief Executive Officers.

Tourism Tasmania's research team presented workshops in 14 locations around the state to inform industry of the benefits and outcomes of Tourism Tasmania's research program.

Tourism Tasmania partnered with Blooming Tasmania to sponsor *Gardening Australia's* 'Gardener of the Year' promotion.

Tourism Tasmania supported Great Golf Australia in hosting a media event for influential golf writers during this year's US Masters.

In 2012-13, Tourism Tasmania hosted 106 domestic and 75 international media visits, generating \$29 million in equivalent advertising value.

Tourism Tasmania's online social media community saw an increase of almost 90% over the past 12 months to a total of 23 500 members.

Over sixty five per cent of staff participated in an overview of risk management at the project level presentation and workshop that reinforced and grew further staff knowledge of risk and risk assessment.

During the year, a total of 21 email Industry Advisories were distributed to Tasmanian operators on topics including campaign launches, announcements from the CEO and Tasmanian Visitor Survey results.

PERFORMANCE AGAINST OUR GOALS

GOAL 1 MAXIMISE TASMANIA'S TOURISM POTENTIAL



Melaleuca, Southwest National Park

REGIONAL TOURISM INITIATIVE

In early 2010, Tourism Tasmania initiated a review of Tasmania's regional tourism sector. The aim was to identify how the state's regional tourism industry could create effective partnerships with stakeholders and make the best use of available resources.

This and other independent reviews, along with further industry input, informed a new approach to regional tourism in Tasmania – one that encourages greater regional autonomy and accountability.

This new approach has seen Tourism Tasmania support the establishment of four regional tourism organisations whose respective jurisdictions cover Tasmania's North, North West (including the West Coast), South and East.

Tourism Tasmania was instrumental in supporting the transition to the new regional tourism structure, working closely with local councils, the Tasmanian Visitor Information Network, local tourism organisations and regional tourism operators on the transition to the new arrangement.

The new industry-led regional tourism organisations have now completed all the necessary legal and governance requirements to receive funds, employ staff and administer regional marketing and industry development programs and all four regions are now established with their own Boards and Chief Executive Officers.

These organisations will set the strategic direction for tourism in their region, identify annual priorities and deliver programs that engage and attract the participation of their local industry. They will have the autonomy to plan and deliver programs that effectively develop and market the region and will be accountable to their key stakeholders.

Tourism Tasmania will continue to work closely with these organisations through their early development to ensure they remain sustainable in the long term.

ACCESS

As Australia's only island State, Tasmania faces unique economic constraints due to restricted access to the island.

To address these constraints, The Department of Economic Development, Tourism and the Arts, led by Tourism Tasmania, worked with private sector operators to develop a Tasmanian Access Strategy. The strategy delivered a number of recommendations aimed at fulfilling current airline seat capacity and developing access investment sustainability.

In response to the recommendations, the Tasmanian Government provided Tourism Tasmania with an extra \$1 million for tourism marketing to stimulate short-term travel demand and reduce seasonality.

Of this, \$350 000 was added to Tourism Tasmania's existing budget for joint marketing activities with access partners. This funding allowed two significant national Jetstar campaigns, a campaign with Virgin Australia, Qantas and Qantaslink, Tiger Airways and Sharp Airlines, all scheduled to stimulate shoulder season demand.

The remaining \$650 000 contributed to the new tourism brand campaign, *Behind the Scenery*, that ran from March to June 2013.

The review also recommended the appointment of an Access Adviser to consider whole-of-government issues including infrastructure, policy, investment attraction and freight and would encompass access to Tasmania by both air and sea.

While the role will have a broader whole-of-government scope than that of Tourism Tasmania, it will nevertheless be located in Tourism Tasmania to take advantage of its extensive research capacity, established relationships with carriers and staff with aviation industry experience.

The position's role will include the development of an aviation strategy based on a sound understanding of the complex economic and structural issues facing aviation, direct management of Tourism Tasmania's *Cruise ship Strategy 2012-15*, the development of policy and processes to enable private investment, and the development and leveraging of the relationship between Victoria and Tasmania in terms of air and sea access.

The role will be implemented in 2013-14.

STRATEGIC PLANS

– HERITAGE, ARTS AND CRUISE SHIPS

In 2012, Tourism Tasmania, working with its strategic partners, developed three strategic plans that aim to grow Tasmania's tourism offering. These plans addressed the areas of heritage, arts and cruise ship visitation and aimed to increase Tasmania's appeal as a tourism destination, deliver benefits for local communities and contribute to the economic growth of the state.

Each plan addresses the issues impacting the growth of the sector and outlines recommended actions to achieve increases in visitor numbers, increased range and quality of visitor experiences and other broader marketing outcomes. The majority of Tourism Tasmania's support under the strategies is provided through its marketing activity, through the provision of research services and through ongoing advocacy within tourism and government networks.

Heritage Strategy

Heritage is recognised as one of Tasmania's primary destination experiences and continues to play a significant role under the new tourism brand. Tourism Tasmania regularly produces and distributes images and written copy focussing on heritage experiences through distribution partners and for use in the media and advertising.

Visits promoted under Tourism Tasmania's Visiting Journalist Program have also focused on heritage experiences with heritage stories published in print and social media and aired on television.

Tourism Tasmania has also provide \$10 000 to support the development of an interpretation strategy linking the five Tasmanian World Heritage Convict Sites, to be completed in 2013-14.



Maria Island

Arts Strategy

Tourism Tasmania incorporated substantial arts-based content into the *Behind the Scenery* marketing campaign, following the development of a new tourism brand for Tasmania. Tourism Tasmania's VJP and Sector and Niche marketing teams continue to pursue promotional opportunities that leverage and highlight arts experiences in Tasmania.

Cruise ship strategy

Tourism Tasmania continues to support the cruise ship sector with marketing to the cruise ship industry including involvement in cruise industry forums and trade events, familiarisations visits for personnel designing shore excursion programs, and a biennial cruise ship passenger survey to gauge cruise passenger satisfaction levels.

The redevelopment by Tasports of Macquarie Wharf No 2 as a dedicated Cruise and Antarctic terminal will also help Tourism Tasmania target growth in the cruise ship market.

TASMANIAN VISITOR INFORMATION NETWORK

The Tasmanian Visitor Information Network (TVIN) consists of 21 Visitor Information Centres across the state. Members of the network are required to meet national standards and adhere to a code of conduct.

In 2012-13, the Tourism Tasmania provided grants to each of the three gateway visitor centres – Hobart, Launceston and Devonport – as well as for the administration of the Network. The combined amount was \$380 000.

Tourism Tasmania works with TVIN members to encourage discussion, research and analysis related to the ways that consumer behaviour impacts the services provided by the centres. This encompasses not only how visitors access and process information before they arrive, but also as they travel through the state. This research also encompasses the scope and provision of requisite infrastructure, information gathering and storage, and future media delivery channels.

In April 2013, Tourism Tasmania undertook a global review of the current approaches to visitor information gathering and use. The findings from this initial research will be further supplemented through ongoing liaison with stakeholders such as Regional Tourism Organisations (RTOs) and local councils in the coming year.

The TVIN is now wholly responsible for enforcing the code of conduct amongst registered visitor information centres, and supporting marketing and professional development across its membership including running an annual conference. It is expected that ongoing and mutually beneficial exchanges between the TVIN membership and the newly formed RTOs will play a critical role in future destination marketing activity and the scope and degree of visitor engagement before, during and after travel.



Leaning Church Vineyard



Hobart waterfront

PERFORMANCE AGAINST OUR GOALS

GOAL 2 DRIVE DEMAND FOR TASMANIA



Go Behind the Scenery film set

NEW TOURISM BRAND

Tasmania is known nationally and internationally as a spectacularly pristine land and sea environment with a rich cultural heritage and a world-class food and wine offering. But destinations like New Zealand, Oregon, Alaska and a myriad of others make the same claim. In order to secure the long-term sustainability of our tourism industry, Tourism Tasmania worked to develop a new tourism brand to give Tasmania a unique voice in the market place and underpin our domestic and international marketing for the next three to five years.

Our aim was to convey the notions, feelings and attributes that make Tasmania the special place it is, and in doing so, enable us to talk to consumers in a way significantly different from our competitors. Using facilitated workshops and one-on-one interviews with Tasmanian tourism operators and other stakeholders, we compiled a collection of ideas and emotions that best described the unique characteristics of Tasmania as a tourist destination.

At the same time, we undertook research to identify the people most likely to travel to Tasmania – our best prospects – and to find the most effective way to tell them about the state and what it has to offer. The final stage in the development of the new brand was to put it into practice.

We used our new brand story and research findings to develop an innovative marketing campaign that would stand apart from traditional tourism advertising – one that

portrayed a rich journey of discovery in a way that surprised and delighted visitors. The new campaign was themed *Tasmania – Go Behind the Scenery*, and was the first to present Tasmania using the new brand, but not the last.

Over the coming year, Tourism Tasmania will continue to refine the brand interpretation as well as work closely with the Regional Tourism Organisations on the application of the brand in their own marketing promotions.

MARKETING CAMPAIGNS

Tourism Tasmania conducts integrated marketing campaigns at strategic times during the year with the aim of moving consumers from dreaming about a holiday, through intention and desire to travel, to booking and post-holiday sharing. The campaigns are heavily integrated with other Tourism Tasmania activities such as distribution, sector partnerships and public relations activities.

In January 2012, Tourism Tasmania recognised the need to differentiate Tasmania from other destinations in order to better compete in a crowded and noisy marketplace. In response, Tourism Tasmania undertook to develop a new tourism brand for the state. This brand work was still underway at the time of our major spring campaign and not fully realised until March 2013 with the delivery of the *Tasmania – Go Behind the Scenery* campaign.

Tourism Tasmania conducted two major domestic campaigns in 2012-13, along with two intrastate campaigns.

Save a Mainlander

The interstate *Save a Mainlander* campaign was a unique and slightly quirky two-month online promotion to encourage the friends and relatives of Tasmanians to visit the state for a holiday or break. The two-month campaign ran from 1 June to 30 July 2012.

Tourism Tasmania used the *Save a Mainlander* website to monitor the campaign's performance. The website received 18 807 unique visits and over 79 700 page views with readers reading an average of four pages. A quiz that formed the centrepiece of the campaign saw 4,941 Tasmanian entries and 4,839 interstate entries. A total of 741 itineraries were downloaded from the site.

Tassie Afterglow

The *Tassie Afterglow* campaign ran in September 2012 with a spend of around \$1 million. This campaign was an intermediate promotion for the coming spring and preceded the new destination brand campaign launched in March 2013.

Advertisements developed for the campaign introduced a cheeky undertone and a distinctive photographic style that emulated 1970's imagery. The advertisements evoked a sense of nostalgia consistent with romance novels, pulp fiction paperbacks and early advertising.

The *Tassie Afterglow* website was the call-to-action and delivered 27 itineraries. The website received over 33 00 visits (28 672 unique visits) and 14 718 itineraries were downloaded by website visitors.

Tassie Comeback Tour

The *Tassie Comeback Tour* campaign commenced on 28 February and ran until 30 April 2013. Tourism Tasmania developed the campaign in response to bushfires that threatened properties and lives on Tasmania's East Coast and Tasman Peninsula.

Tourism Tasmania developed the campaign in consultation with the Tourism Industry Council of Tasmania, the state's Regional Tourism Organisations, the Tasmanian Visitor Information Network, the Parks and Wildlife Service and local tourism associations in fire-affected areas.

Tourism Tasmania invested around \$250 000 in the two-month TV, radio, press and social media promotion. This included the production of the commercials and social media materials as well as the purchase of advertising on TV, radio and newspapers.

The *Tassie Comeback Tour* campaign used tourism and other business owners and staff from the state's bushfire-affected areas in two, 30-second TV commercials selling the promise that a visit to the bushfire-affected areas was as good for Tasmanians as it was for the businesses in these areas. The commercials were supported by radio advertising on most of Tasmania's commercial metropolitan and regional radio stations and print advertisements were inserted in Tasmania's three regional daily newspapers. All calls to action were to a *Tassie Comeback Tour* Facebook page that provided viewers with ideas, information and itineraries focusing on the many tourism experiences in or near the affected areas.



Come Back to Tassie Campaign



Save a Mainlander Campaign



Afterglow Campaign

Tasmania – Go Behind the Scenery

Tasmania – Go Behind the Scenery marketing campaign is the first Tourism Tasmania campaign to interpret Tasmania's new tourism brand. Part provocative, part comedic and a big step away from traditional marketing, the campaign aimed to encourage mainland Australians to visit the state and 'go behind the scenery' to discover the real Tasmania.

The campaign ran in Melbourne and Sydney from 24 March to 31 May 2013 with cooperative marketing activity with partners extending well beyond this date.

The campaign incorporated a range of free-to-air, SBS and pay television, print, digital, cinema and outdoor advertising. Media spend for the campaign was \$1.7 million actual, with negotiations increasing the media value to \$3.3 million.



Port Arthur locals for film shoot



John X on set

The production costs for the campaign were \$1.3 million, incorporating television commercial production, photo-shoot, online video production, campaign website development, social media extension activity and print advertising production.

A 30 and 60 second television and cinema commercial formed the centrepiece of the campaign, its art house feel taking viewers through scenes that weave together the beauty of Tasmania with its more magical, quirky and unknown elements.

In addition, a campaign microsite with social media extension included contributions from social media power users Caz and Craig on Pinterest (YTravel blog – 4.4 million followers), Lauren Bath on Instagram (200 000 followers) and Brooke Schoermer travel blogger (Brooke vs the World).

A total of six comedic online videos highlighted Tasmania's five regions (plus all-of-state) were also distributed through the campaign microsite.

The majority of the assets developed for the campaign – photos, videos, website and print materials – will be used well beyond this initial campaign as a library of on-brand materials for future campaign, PR and other cooperative marketing activities.

The campaign was well received by tourism operators and advertising industry professionals and saw consumers download a record number of itineraries from the campaign microsite.

INTERNATIONAL MARKETING REVIEW

In 2012, Tourism Tasmania reviewed its international marketing program to ensure its operations delivered the best possible return on investment and aligned with the changes taking place in global travel.

After a thorough reassessment of our international marketing strategy, Tourism Tasmania has now realigned its international marketing operations with markets and opportunities that offer the best chance of influencing prospective international visitors to visit Tasmania.

Drawing on the wealth of research available, we developed a model of current and future global tourism trends regarding travel to Australia and Tasmania. We found that, not only is there expected to be significant growth in inbound travel from the medium-haul Asia region, but the changing global economy has also affected travel from Tasmania's traditional source markets of the UK, Europe, North America and Japan. The new model also considers Tourism Tasmania's capacity to actively influence the destination decisions of travellers.

In response to the findings, Tourism Tasmania has reduced the number of contracted in-market representatives in several markets including the United Kingdom, New Zealand, Japan and Korea to allow us to concentrate on our growing markets like Greater China, Malaysia and Singapore.

We are also working more closely with Tourism Australia to strengthen and extend brand activity in our shared markets. Our partnership includes co-operative activity through visiting journalist programs, in-market campaigns, digital platforms, and media and public relations.

Other changes include an increase in internationally focused sales-oriented programs such as the Australian Tourism Exchange (ATE), with overseas sales and marketing missions playing a pivotal role in our ability to effectively market our destination and product to the world. We are also developing strategies to promote Tasmania to internationals that are already visiting, studying or living in Australia.

Tourism Tasmania will continue to monitor its key international markets in case further adjustments are needed in response to changing market conditions.



ATE



Asia Mission

DISTRIBUTION

Tourism Tasmania works with travel distributors who sell Tasmanian travel products. These partners include travel retailers, wholesalers, airlines, online travel agents and inbound tour operators.

Our aim is to help them convert holiday planners to actual visitors by providing them with high quality Tasmanian holiday information and helping them communicate the Tasmanian brand to their respective customers.

This year, Tourism Tasmania undertook cooperative advertising with retail, wholesale and online distributors. An investment of \$177 650 in tactical campaigns with Tas Vacations, Infinity Holiday, Flight Centre, Wotif, Lastminute.com and VisitVineyards.com produced a total campaign media value of \$2 005 000.

Tourism Tasmania also worked with airline partners Qantas Group (including Qantas, QantasLink and Jetstar), Virgin Australia and Tiger Airways on a range of partnership activities. These included two co-operative campaigns with Jetstar that saw Tourism Tasmania invest \$150 000 to generate \$500 000 of media value. The two Jet Star campaigns also returned over 30 000 seat sales to Tasmania.

Other activities with Tiger, Sharp, Qantas and Virgin saw Tourism Tasmania invest \$185 000 for a total return of over \$400 000 media value.

As well, Qantas and QantasLink provided airline seats for travel agents visiting Tasmania on a mega famil, while Qantas has produced and is maintaining a dedicated Qantas Travel Tasmania website available to consumers all year round.

Tourism Tasmania also undertook training programs to ensure travel sellers have the necessary destination information to enable them to make the most of their Tasmanian sales. These included the design and delivery of four destination training modules. A total of over 111 travel agents completed the modules, qualifying as Tassie specialists and entitling them to participate in an exclusive travel agent program.

In addition, a product road show took 15 Tasmanian products to Sydney, Brisbane, Gold Coast and Newcastle to present to almost 300 travel agents. Other educational activities included a four-day mega famil and supplier expo for 60 travel agents from a variety of retail chains and a two-day workshop and a Launceston and surrounds famil for 28 inbound tour operators.

Tourism Tasmania also provided cooperative funding to major industry partners, including Accor, Federal Group and Innkeepers, to support print and digital marketing activities. Funding support also enabled additional airline campaigns compared to the previous period that focussed on shoulder season to boost industry activity at a time when Tasmanian businesses experience a market downturn. This year saw a Tourism Tasmania investment of \$46 000 in industry cooperative support return a media value of \$102 000.

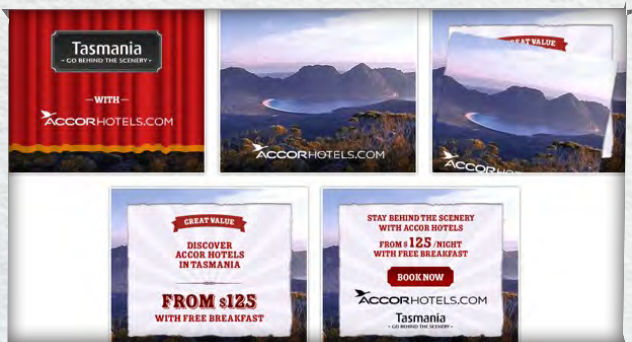
DISCOVER TASMANIA WEBSITE REDEVELOPMENT

Tourism Tasmania maintains Tasmania's official travel website, www.discovertasmania.com.au. The website aims to inspire potential travellers and help them plan and share information about Tasmania and Tasmanian travel experiences.

There are over 2 500 businesses represented on the website. Tasmanian product information displayed on the website is stored in Tourism Tasmania's TigerTour database and is also replicated through the Australian Tourism Data Warehouse (ATDW) to over 40 national and international travel websites. This ensures that Tasmanian businesses are accessible through a range of distributors in our domestic and international markets.

In 2012-13, the website received 2 307 253 visits, a more than 12 per cent increase over the same period last year.

This year has seen Tourism Tasmania embark on a major review of all its digital activity. The work was aligned to the development of a new tourism brand for Tasmania and Tourism Tasmania's five-year marketing strategy and as a result has led to a redevelopment of the Discover Tasmania website.



Accor – Go Behind the Scenery



Talkabout Tassie Roadshow



Mega Famil

GO WITH THE FLOW

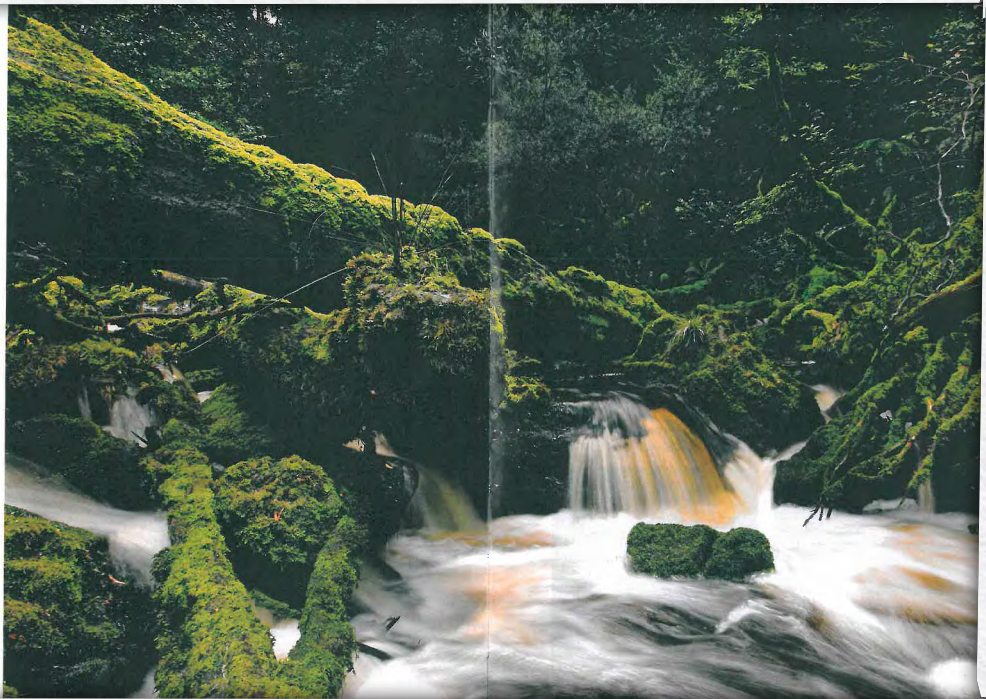
TAKE A FIVE-DAY RAFTING RIDE INTO ENVIRONMENTAL HISTORY

By Graham Lloyd Photography Vanessa Hunter



Thirty years ago, environmentalists won the battle to stop construction of a dam that would have drowned one of the world's great wildernesses. The Franklin River in Tasmania's south-west, gained World Heritage listing in 1982 and "Saving the Franklin" became one of the hottest issues of the 1983 federal election. The Hawke government had vowed to halt the proposed hydro-electricity dam but it took a High Court ruling to finally prevent its construction.

Every year, about 500 whitewater adventurers each make the journey into the Franklin-Gordon National Park to raft along at least part of the river's 130km course in inflatable boats, through deep valleys and over furious rapids. Devotees of the sport can take 10 days to travel the length to where the Franklin meets the Tasmanian coast, camping along the way on pebble



VJP in conjunction with TWWHA



The redevelopment is part of a larger digital strategy that will see Tourism Tasmania deliver the right information to visitors at the right time – before, during and after their visit. The redeveloped website and associated digital activities will enable greater use of social media and be optimised for use on mobile devices – the technology of choice for today's modern traveller.

Additional functionality, including an upgrade of Tourism Tasmania's customer relations management system to support targeted messaging, will also be added following the website's launch, early in the 2014 financial year.

PUBLIC RELATIONS

Tourism Tasmania's Public Relations (PR) activities undertaken in our domestic and international markets support and broaden the reach of Tourism Tasmania's key marketing campaigns and brand message and are important in providing an ongoing presence in the marketplace outside of paid advertising activity.

To recognise the 30 year anniversary of the listing of Tasmania's Wilderness World Heritage Area (TWWHA), Tourism Tasmania invested \$80 000 in a 12 month global PR program to generate media coverage, highlight the variety, accessibility and depth of tourism product connected with Tasmania's World Heritage Wilderness and create domestic and international conversion opportunities.

As part of the integrated marketing activity, the key messages of the campaign were incorporated into a cooperative marketing campaign with Jetstar Airlines. The Jetstar campaign featured special flight prices and compelling itineraries highlighting the unique travel experiences in Tasmania's wilderness area. The campaign

included a consumer competition on Jetstar's Facebook page and a special Tasmanian editorial feature highlighting walking, rafting and canyoning experiences in the region.

Media coverage under the project to date has generated over \$1 884 152 in Estimated Advertising Value (EAV) and reached over 15 million people worldwide. A total of 38 visiting journalists sponsored by Tourism Tasmania's Visiting Journalist Program, included the TWWHA in their families with 34 individual products and a total of 182 product visits featured as part of the itineraries.

Tourism Tasmania also worked to leverage the opportunities raised by the state's industry awards and accolades to generate awareness and interest in the destination. Working with Tourism Australia and Destination Southern Tasmania, significant media coverage was generated when Lonely Planet named Hobart in its *Best in Travel 2013* publication as one of the top 10 cities in the world to visit in 2013.

Similar activity was undertaken around the 2012 Qantas Australian Tourism Awards to leverage Tasmania's record success. Together, these two activities generated \$1 295 679 estimated advertising value.

Other PR activities undertaken this year saw a total of 35 media releases distributed nationally to key media outlets, generating \$1 331 332 in EAV. Responding to media requests for research around story angles and features and requests for content and images resulted in \$1 284 460 in EAV.

In 2013-14, Tourism Tasmania will work to create further advocacy outside traditional media channels, with a real focus on creating advocacy by partnering with influencers. This will see a continued investment in key PR social and VJP activity with new and exciting initiatives.

INTERNATIONAL PUBLIC RELATIONS

Tourism Tasmania's international marketing and public relations effort in 2012-13 focussed on North America, United Kingdom, Germany, Hong Kong, China, Singapore, Malaysia, Japan and Korea.

Tasmania hosted an eight-member editorial crew from the leading US hiking lifestyle magazine Backpacker. The primary focus was to test outdoor adventure gear for their April 2013 Editor's Choice issue, along with editorial research for a feature article on Tasmania's hiking opportunities and experiences.

From our UK market, a group of five specialist media with commissions from leading UK wildlife magazines visited Tasmania as part of a 12-month campaign to raise awareness of Tasmania's wilderness, and birding and wildlife opportunities.

Meanwhile the Hunter continued to attract attention following its release in continental Europe with the travel editors of the Financial Times, Sunday Times, The Guardian and the editor-in-chief of Wanderlust magazine each attending an initial private screening event that featured an appearance by Willem Dafoe.

In Korea, a six-page editorial on Tasmanian golf links (including Barnbougle Dunes, Barnbougle Lost Farm, Ratho and Royal Tasmania golf clubs) featured in the July edition of Golf Digest Korea. The article was the direct result of a VJP famil in June 2012. The article achieved equivalent advertising value (EAV) of \$56,000 through a circulation of up to 100,000 of Korea's leading male travel demographic.

In Singapore, Tourism Tasmania joined Qantas, Tourism Australia and Mark Webber to promote the 2012 Swisse Mark Webber Challenge. Supported by leading Singapore commercial radio station SAFRA Power 98, the event followed the Singapore F1 Grand Prix, and gave listeners a chance to win a trip to Tasmania to coincide with the 2012 Challenge. The public relations initiative received significant press and exposure across television, print, online and social media.

In New Zealand, a partnership with the iconic outdoor brand, Kathmandu, raised consumer awareness and perceptions of Tasmania via Kathmandu's brand and extensive consumer database through in-store, print, online and commercial television activity.

In Japan, Japan Airlines launched its World of Beauty calendar for 2013 that featured imagery from Mt Field National Park for the month of November 2013. The calendar has been produced for over 40 years and is one of the most popular in Japan with over 1.25 million copies in distribution direct to consumers. Tasmania was last featured in 2004 with an image of the Richmond Bridge.



Mark Webber Challenge

SECTOR AND NICHE MARKETING

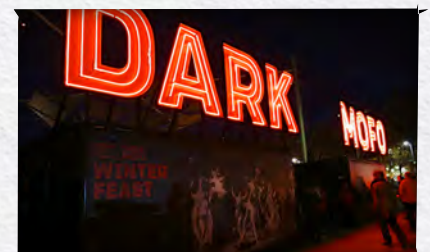
Tourism Tasmania aims to increase visitation through the promotion of special-interest experiences and partners with peak industry bodies to reach target niche audiences. The key experiences that Tourism Tasmania promotes include walking, fishing, golf, wine and whisky, caravan and mobile home travellers, backpacking and adventure, gardens and wildlife.

In partnership with Tourism Australia and industry operators, Tourism Tasmania provides ongoing support for the Best of Australia programs, promoting Tasmania's leading experiences both internationally and domestically through PR, media and specialist trade initiatives.

Programs include *Great Golf Courses of Australia*, with supporting industry investment from Barnbougles Dunes and Barnbougle Lost Farm; *Great Walks of Australia* – with Tasmania having four of the seven products that make up the national program;



Mark Webber Challenge



Winter Festival – Dark Mofo



Winter Festival – Dark Mofo

and *Ultimate Winery Experiences of Australia*, currently in development.

Tourism Tasmania supported Great Golf Australia in hosting a media event for influential golf writers during this year's US Masters where Australian Adam Scott won the day. This activity was backed up by a series of international golf and high-end luxury trade

families cooperatively hosted around the Australian Tourism Exchange by Tourism Australia, Great Golf Australia and Tourism Tasmania.

This year, Tourism Tasmania partnered with Blooming Tasmania to sponsor *Gardening Australia's* 'Gardener of the Year' promotion. As the major partner and prize destination, Tasmania continues to receive coverage in every edition, through *Gardening Australia's* social media channels as well as editorial that will reinforce Tourism Tasmania's 2013-14 spring campaign.

Tourism Tasmania has also partnered with Wine Tasmania to leverage the *Tasmania Unbottled* events in Melbourne, Sydney and Brisbane in August 2012. The events showcased Tasmanian cool climate wines to a combination of trade, media and consumers across a variety of events.

Cooperative marketing activities undertaken this year include attendance at specialist consumer expos such as the Melbourne International Flower and Garden Show, Sydney Backpacker Expo and Victorian Caravan & Camping Supershow, support of the development and promotion of the *60 Great Short Walks* app as well as consumer direct campaigns and specialist famils.

In 2013-14, Tourism Tasmania will focus on promoting leading experiences in our major integrated marketing campaigns.

VISITING JOURNALIST PROGRAM

Tourism Tasmania's Visiting Journalist Program (VJP) plays an integral part in Tourism Tasmania's marketing strategy. Targeted journalists, online content generators and opinion leaders are supported in visiting Tasmania for the purpose of creating editorial, online and social content to showcase Tasmania as a holiday destination. The program allows Tourism Tasmania to showcase tourism experiences from all over Tasmania, with regional dispersal being an important objective of the program.

In 2012-13 Tourism Tasmania hosted 106 domestic and 75 international media visits. These visits have generated \$29 million in equivalent advertising value.

In 2013-14, Tourism Tasmania will undertake a strategic review of the Visiting Journalist Program (VJP) to enable it to better reflect the changing media landscape, allow the program to better service content generation and consolidation and allow for a more suitable approach to attracting content from offline and online influencers.

Online content generation and influencer activity is not able to be directly measured with advertising equivalency however is recognised as a critical component of creating consumer advocacy now and into the future. Online content is measured in metrics including reach, longevity of content, searchability of content and brand alignment of content.



Winter Festival – Dark Mofo



Festival of Voices



International Flower & Garden Show – Melbourne

SOCIAL MEDIA

Social media is a core component of Tourism Tasmania's approach to marketing the state.

Tourism Tasmania maintains a presence on Facebook, Weibo (China), Twitter, YouTube, Pinterest, Tumblr and Google Plus. Tourism Tasmania also has two blogs – one for user-generated content and another attached to the Discover Tasmania website.

Tourism Tasmania has maintained growth in its social media community through 2012-13 with approximately 22 500 members, an increase of 6 200 in the past 12 months. Typically, total reach in Facebook is currently 180 000 at any one time, and 4.2 million 'friends of friends' who are in our message stream.

Monthly activity level is around 220 new Twitter followers a month, more than 450 Facebook members a month, approximately 100 re-tweets, 330 sent messages over all channels, 5 500 sampled messages and pictures 'mentioning Tasmania' in a useful context, 200 direct mentions and 500 000 impressions in Twitter.

Social media activities in 2012-13 included joint promotion with Brand Tasmania and key influencers such as photographers, regional offices, and the Breath of Fresh Air short film competition. Social media activity also involved cooperative social media campaigns with partners WOTIF and Tourism Australia.

In addition to its social media effort, Tourism Tasmania uses a corporate Twitter account to distribute corporate information including news announcements and tailored media releases for national and international travel media.

This coming year will see us further integrate social media into our marketing mix. Greater reliance will be placed in third-party advocacy and the use of word of mouth to promote the destination – all objectives ideally suited to the use of social media.

BUSINESS EVENTS TASMANIA

Business events offer considerable tourism and industry benefits to Tasmania. They attract visitors to the state and provide opportunities for cross-industry development. Tourism Tasmania works in partnership with Business Events Tasmania (BET). Annual funding support, provided by Tourism Tasmania, aims to maximise the potential for business events to increase the number of visitors and their length of stay, particularly during shoulder season.

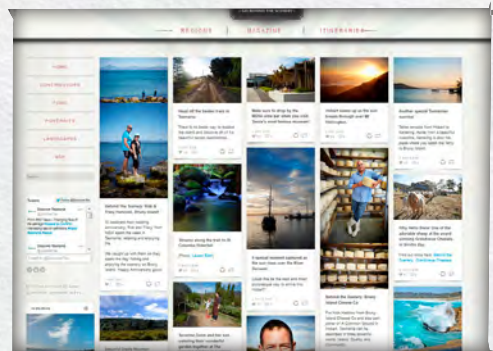
This year, Tourism Tasmania provided BET with an operating grant of \$540 000. In addition BET received a state grant of \$170 000 for the Meet in Tasmania Incentive Scheme, bringing the total funding for 2012-13 to \$710 000. Over the year, Business Events Tasmania achieved 74 bid wins with an economic value of \$43.4 million. In addition, Business Events Tasmania represented Tasmania at seven Australasian trade shows, hosted clients on five major famils and conducted 46 site inspections.

The current partnership arrangements between Tourism Tasmania and Business Events Tasmania will be reviewed in the coming year. Tourism Tasmania will work in partnership with Business Events Tasmania to develop a business approach that recognises Tasmania's competitive advantages, as outlined in the DEDTA Economic Development Plan, and acknowledges the role business events play in key areas including trade, education and skilled migration.

The partnership also aims to address seasonal and regional dispersal as well as leverage business event visitation to grow the leisure market around pre and post touring and return holiday visits.



Lightbox advertising – Hobart International Airport



PERFORMANCE AGAINST OUR GOALS

GOAL 3 ENHANCE INDUSTRY'S COMPETITIVE POSITION WITH MARKET-LEADING RESEARCH AND ANALYSIS



Launceston Airport

RESEARCH SERVICES

Tourism Tasmania is committed to strategic decision-making based on evidence, data and market feedback. Tourism Tasmania's research team provides government and industry with relevant research and market intelligence on industry performance, consumer behaviour and future potential.

As part of this work, Tourism Tasmania commissions and coordinates market research that analyses the behaviour of visitors and the motivations and desires of potential customers as well as undertakes performance tracking and measurement of key activities such as Tourism Tasmania's marketing campaigns.

The Tasmanian Visitor Survey (TVS) provides a profile of the characteristics, travel behaviour and expenditure of international and domestic visitor to Tasmania. Tourism Tasmania reports quarterly on visitor numbers and other data gathered using the TVS through a series of online reports, a published Tourism Snapshot, a Fast Facts publication and a commentary on the survey results by the CEO of Tourism Tasmania.

A second research tool, the Tourism Info Monitor (TIM) is used to complement the TVS. The Tourism Info Monitor is an online survey conducted every month using 500 interstate respondents, all of whom have taken a holiday in the last 12 months or are considering taking one in the next 12 months. TIM provides information on changes in the characteristics, behaviours, perceptions, motivations and intentions of travelling Australians and in particular those who are considering travel to Tasmania.

Tourism Tasmania also uses TIM to provide a detailed understanding of Tasmania's performance as a holiday-leisure destination against other domestic locations. Data from the survey is published on Tourism Tasmania's corporate website and presented to industry in a series of workshops held across the state. Last year, Tourism Tasmania's research team presented workshops in 14 locations around the state. A similar series of workshops to share data from the TVS and TIM is planned for 2013-14.

Tourism Tasmania also uses the TIM survey to track the effectiveness of its marketing campaigns. Tourism Tasmania undertook research to test the new tourism brand prior to development of the most recent Behind the Scenery campaign.

To assist the new Regional Tourism Organisations (RTOs), Tourism Tasmania prepared a series of regional visitor snapshots, based on data from the TVS and the Australian Bureau of Statistics. These snapshots focus on regional visitation, activity and spend.

Over the year, Tourism Tasmania also undertook the analysis of existing data or commissioned new research including a cruise ship visitor survey in support of Tourism Tasmania's cruise ship strategy, a Flinders Island visitor survey, a purpose of visit survey and forecast and data modelling to provide input into Tourism 21, a joint strategic business plan between the Tasmanian Government and the Tourism Industry Council Tasmania (TICT). Ensuring that *Tourism 21* sets goals that are realistic and relevant to prevailing economic conditions is essential if the plan is to achieve its long-term goals.

In 2013-14, Tourism Tasmania will continue to research visitors and potential visitors to the state through the Tasmanian Visitor Survey and the Tourism Info Monitor. Rigorous market testing of our advertising and marketing campaigns will be conducted twice a year during each major campaign. Through these activities and other data sources, our Regional Tourism Organisations will be provided with the data and statistics they require to continue management of tourism development and local marketing. In addition, a number of qualitative studies will be undertaken to identify regional tourism perceptions and consumer behaviour, with particular focus on what drives regional dispersal and what does not, and levels of visitor satisfaction. Further online tools and resources will be developed to provide better access to Tourism Tasmania's research and insights.



Wineglass Bay



Alice's Cottages & Spa Hideaway

BUILDING OPPORTUNITIES FOR BUSINESS

This year saw Tourism Tasmania develop a program to benefit those tourism operators interested in developing their business.

The Building Opportunities for Business (BoB) program aims to improve business outcomes for Tasmanian tourism operator by increasing their exposure to, and understanding of, accreditation programs and marketing opportunities and by helping them access funding from grant schemes and through mentoring and enterprise programs.

The program provides operators with advice on specific learning and development programs such as TQUAL accreditation, the ATDW e-kit, and Startpoint for new business start-ups, and helps them leverage product development opportunities through a range of Department of Economic Development Tourism and the Arts (DEDTA) activities.

Under a grants support program, operators interested in applying for State and Federally funded grants including the Tourism Industry Regional Development Fund (TIRF), the Tasmanian Government Innovation and Investment Fund (TGIF) and TQUAL, are supported in developing a strong application.

Over the year, the program provided mentoring assistance to 49 Tasmanian tourism businesses applying for grant funds, and while the success of any grant applicant is dependent on a range of variables and is not a direct reflection of the work of the program, Tasmania has demonstrated considerable success in securing grants at the same time as effectively developing the quality of the businesses involved in the program.

Tourism Tasmania's business assistance resulted in more Tasmanian tourism businesses receiving funding through these programs than at any time in previous years. In total, the state's tourism sector secured around \$1.8 million in national grant funds for new tourism projects and improvements to existing tourism businesses valued at well over \$3.6 million. Tourism Tasmania's innovative approach is now being adopted by other states and territories.



Flinders Island

PERFORMANCE AGAINST OUR GOALS

GOAL 4 BE A HIGHLY EFFECTIVE ORGANISATION

Great Walks of Tasmania – Quick Reference Guide

Walk	Freycinet Experience	Maria Island	Bay of Fires	Walls of Jerusalem	The Rainforest Track	Cradle Mountain Huts	South Coast Track
Departure & return point	Hobart	Hobart	Launceston	Launceston	Hobart Launceston Devonport Burnie	Launceston	Hobart
Duration	4 days	4 days	4 days	4 days	6 days	6 days	9 days inc. 1 rest day
No. of guides	2	2	2	2	2	2	2
Group size	10	10	10	10	10	10	10

STAKEHOLDER ENGAGEMENT

All of the Tourism Tasmania Board and staff play a part in engaging with a wide range of stakeholders internationally, interstate and locally.

In 2012, Tourism Tasmania conducted a Stakeholder Engagement Survey as a follow up to the 2010 Stakeholder Engagement Survey. Following the 2010 survey, the purpose of which was to measure the level of stakeholder satisfaction with the organisation's overall communications and engagement, a number of recommendations were put forward by the Corporate Communications team and implemented across the organisation. These measures included enhancing online resources and communications, increasing staff participation in industry events, enhancing the profile and contact details for management team members, and publishing and distributing new material outlining the industry resources and services available from Tourism Tasmania.

The purpose of the subsequent 2012 survey was to measure the effect of those changes and actions on stakeholder satisfaction with our communications and engagement.

Overall, the response to the survey indicates that Tourism Tasmania has improved its communications with stakeholders, and has improved its industry engagement and communications across most areas. The survey also showed that our efforts to encourage all Tourism Tasmania staff to regularly engage and build stronger relationships with the tourism industry and other stakeholders is delivering positive outcomes and will continue in future.

Further monitoring of the delivery of our online and electronic communications will also continue.

Tourism Tasmania's corporate communications team coordinate the formal communication of the activities of Tourism Tasmania. This is undertaken using a range of channels including Tourism Talk – a bi-weekly newsletter, Industry Advisories – email news notifications distributed to the TigerTour database and select stakeholders – and through website publishing, RSS broadcasting and Twitter feeds.

During the financial year, a total of 21 Industry Advisories were distributed on topics including campaign launches, announcements from the CEO and Tasmanian Visitor Survey results.

Tourism Tasmania continued to use video messages to communicate news and announcements to stakeholders. Over the year, Tourism Tasmania produced six video messages from the CEO or Director of Marketing.

Tourism Tasmania also maintains a corporate website whose primary audience is Tasmanian tourism businesses. In 2012-13, there were 99 514 visits (70 135 unique visits) to the corporate website.

Enhancements to Tourism Tasmania's corporate website include the redesign of its news service with the various news sources combined into a single location for 'all news' and a revised approach to the publishing of Tourism Talk, Tourism Tasmania's industry newsletter, to gain efficiencies in its production and distribution.

Tourism Tasmania also maintains a trade resources website to assist in the delivery of information to distribution partners. This year Tourism Tasmania expanded the website's content to include an extensive training module – *Walking in Tasmania* – for the specialist training of distribution partners located in the US market.

Tourism Tasmania also supported the Minister for Tourism and the CEO of Tourism Tasmania in preparing speech notes and media releases on funding announcements, new product openings, Tasmanian Visitor Survey results and other major Tourism Tasmania initiatives.

Local media are an important stakeholder in the communication of Tourism Tasmania's activities to the general public and to industry stakeholders. The Corporate Communications Team provide regular briefings, fact sheets and research data to Tasmanian and interstate media and also respond to requests for comment or statistics on tourism issues in the state.

BUSINESS SERVICES

Values workshops

The Department of Economic Development, Tourism and the Arts (DEDTA) developed a whole of agency values team in September 2010. Tourism Tasmania has representation on this team. In order to help align and embed the values within the organisation, Tourism Tasmania and the larger Department recognises values in their recruitment and selection process. Values are also promoted through ongoing forums and briefings with the Agency Executive Team which includes the CEO of Tourism Tasmania.

Risk and assurance

Tourism Tasmania conducts its own internal audit program. Audit topics are selected by the Audit Finance and Risk Committee (AFRC) and resulting programs of work and timelines developed by management with input from the internal auditors. The results are reported back to the AFRC with agreed management actions/treatments. The progress of the agreed recommendations is reported to the AFRC at each meeting.

Audits commenced and overseen by the committee in 2012-2013 were an evaluation of the Strategic and Corporate Framework of Tourism Tasmania and an examination of Tourism Tasmania's marketing policies and strategies including its Brand management.

The Board also undertook its biannual Board Effectiveness Survey and workshop with Deloitte to ensure best practice and skill use across the Board.

Risk management

Tourism Tasmania is committed to a comprehensive approach to managing risk using a Risk Register framework, a process that requires identifying business risks arising from its strategic direction and operating environment. Tourism Tasmania's risk register is reviewed annually by the AFRC. Management report quarterly to the AFRC on the risk treatment plans and on any new or escalated risks and the appropriate processes to manage them.

In early 2013, over sixty five per cent of staff participated in an overview of risk management at the project level presentation and workshop that reinforced and grew further staff knowledge of risk and risk assessment. A second workshop to capture the remaining staff is scheduled for early August 2013. Following this, in late August 2014 management and a selection of staff will attend a facilitated session with the auditors to update, review and identify new risks for Tourism Tasmania and its priorities.

Financial reporting system

Tourism Tasmania's operating procedures include a comprehensive system to report financial information. These procedures include the formal review of budgets by senior management and the CEO before endorsement by the Board; forecasts, revised on a quarterly basis, compared against the budget; monthly management accounts with a comparison of actual results against the forecast budget; monthly reporting and tracking of debtors; review and approval of Annual Financial Statements, prior to AFRC and Board endorsement; and annual review of delegations of authority.



STATUTORY INFORMATION

BOARD COMMITTEES

Audit, Finance and Risk

The Audit, Finance and Risk Committee (AFRC) meets at least five times a year. The primary role of the committee is to assist the Board of Directors fulfil its corporate governance responsibilities in overseeing and reviewing Tourism Tasmania's internal controls, internal audit relationships, contact engagements, risk management and financial reporting. The committee comprises three board members. Attending the AFRC on request are the Auditor General, the Deputy Secretary DEDTA, the Director Operations and Planning, the Business Services Coordinator, the Business Services officer and the internal auditors.

OUR STAFF

As at 30 June 2013, Tourism had 54.84 full-time equivalent (FTE) employees.

CONTRACTS AND CONSULTANTS – 1 JULY 2012 TO 30 JUNE 2013

Table 1: Contracts with a value of \$50,000 or over (excluding GST) and excluding consultancy

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract
Jimjam Ideas	New South Wales	Lead Creative Agency	2012-17	\$2,295,830
Roy Morgan	Victoria	Tasmania Visitor information Survey	2013-2019	\$1,200,000
Vivid Marketing Services	Hong Kong	Asia marketing servicing	2013-2017	\$1,750,000
Last Orders Please PR and marketing	Germany	Germanic Europe marketing services	2013-2015	\$252,200

Table 2: Consultancy contracts with a value of \$50,000 or over (excluding GST)

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract
Nil	Nil	Nil	Nil	Nil

RIGHT TO INFORMATION

Tourism Tasmania has a legal obligation to respond to requests for information in accordance with the *Right to Information Act 2009*, which came into effect on 1 July 2009. The Act provides members of the public with the right to access information held by government and its agencies, with the exception of information deemed by the Act to be exempt.

In 2012-13, Tourism Tasmania did not receive any requests for information.

BOARD OF DIRECTORS ATTENDANCE 1 JULY 2012 TO 30 JUNE 2013

Board	Current Term	Number of Board Meetings (7 meetings)	Finance, Audit & Risk Committee (5 meetings)
Simon Currant	20/6/2011 – 19/6/2013 (5th term)	7	n/a
John Fitzgerald*	15/1/13 – Till end of appointment (new CEO)	3	n/a
Grant Hunt	1/6/2011 to 31/5/2014 (1st term)	7	n/a
Mark Kelleher	21/8/09 to 20/8/12 (1st term)	6	n/a
Dallas Newton	2/3/2012 to 1/3/2015 (1st term)	6	4
Kimberly Seagram	13/9/2010 to 12/9/2012 (3rd term)	7	n/a
Karen Scott Davie	2/3/2012 to 1/3/2014 (1st term)	6	4
Brett Torossi	30/8/2010 to 29/8/2013 (1st term)	7	5

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

No longer serving on the Tourism Tasmania Board Directors

Tony Mayell	CEO – Term expired on his resignation on 9/11/12	3	
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LIST OF PUBLICATIONS

RESEARCH

Market Snapshot Tasmanian Cruise Ship Survey
Tasmanian Tourism Snapshot (Quarterly)
Tourism Info Monitor (Quarterly)
Tourism Fast Facts (Quarterly)

CORPORATE

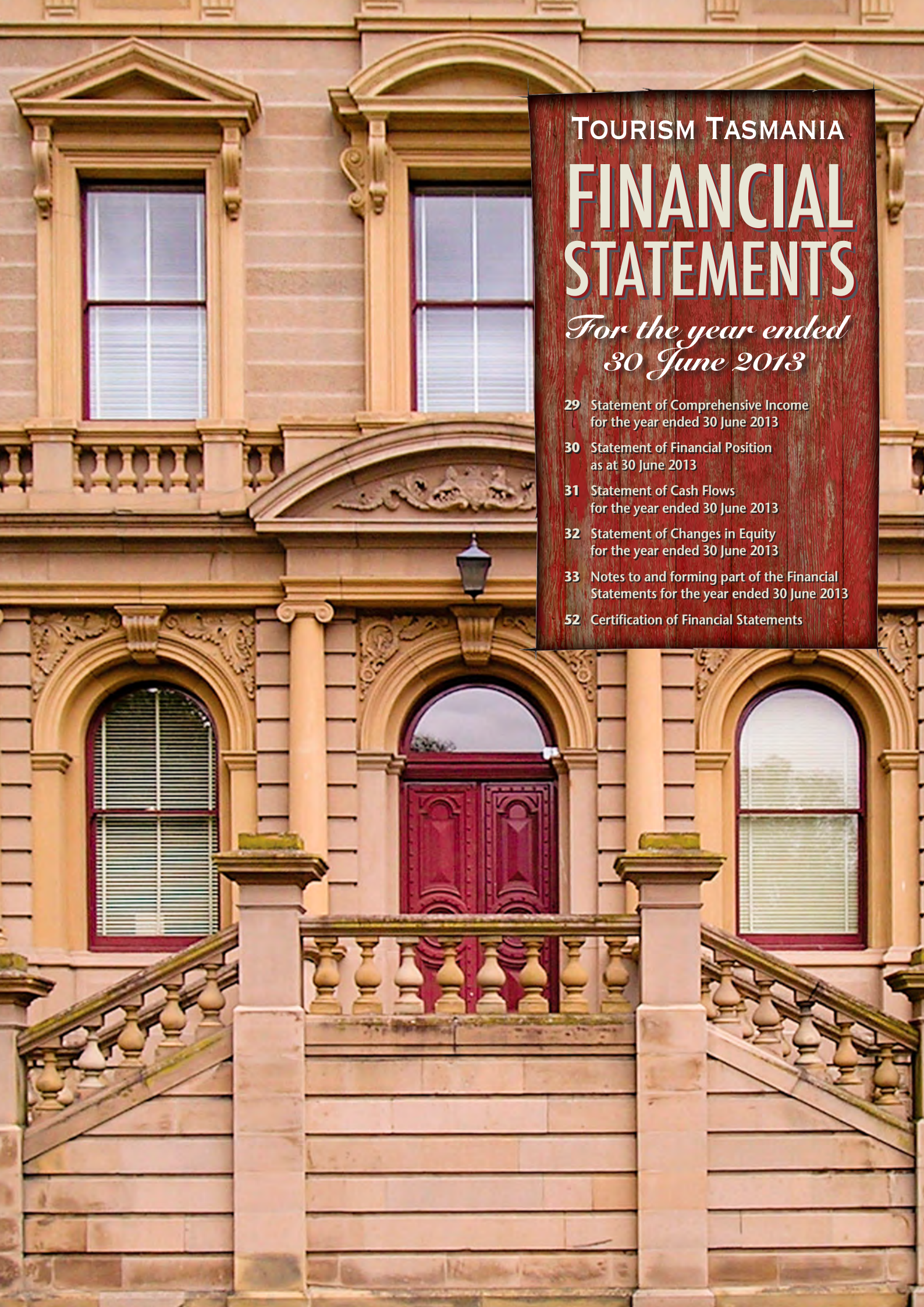
Tourism Tasmania Annual Report 2011-2012
Tourism Tasmania Corporate Plan 2012-2015
Statement of Corporate Intent 2012-2015
Our Services Booklet 2012
Fast Facts (Quarterly)

E-NEWSLETTERS

Discover Tasmania newsletter
Tourism Talk – Industry news
Tassie Trade Newsletter

WEBSITES

www.discovertasmania.com.au
www.tourismtasmania.com.au
www.tassietrade.com.au



TOURISM TASMANIA
**FINANCIAL
STATEMENTS**

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30 June 2013*

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TOURISM TASMANIA STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	2013 \$'000	2012 \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Attributed Revenue from Government			
Appropriation revenue – recurrent	1.6(a), 3.1	23,957	24,075
Revenue from Special Capital Investment Funds	3.2	–	10
Sales of goods and services	1.6(b), 3.3	862	715
Other revenue	1.6(c), 3.4	1	1
Total revenue and other income from transactions		24,820	24,801
Expenses from transactions			
Attributed employee benefits	1.7(a), 4.1	7,175	8,254
Depreciation and amortisation	1.7(b), 4.2	101	219
Supplies and consumables	1.7(c), 4.3	4,751	4,440
Grants and subsidies	1.7(d), 4.4	2,644	2,073
Advertising and promotion	1.7(e), 4.5	9,605	8,794
Finance costs	1.7(f), 4.6	(10)	62
Other expenses	1.7(g), 4.7	111	603
Total expenses from transactions		24,377	24,445
Net result from transactions (net operating balance)		443	356
Net result		443	356
Comprehensive result		443	356

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

TOURISM TASMANIA STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	NOTES	2013 \$'000	2012 \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.9(a), 9.1	1	372
Receivables	1.9(b), 5.1	8	16
<i>Non-financial assets</i>			
Plant and equipment	1.9(c), 5.2	–	5
Leasehold improvements	1.9(c), 5.3	262	299
Intangibles	1.9(d), 5.4	242	115
Other assets	1.9(e), 5.5	1,154	810
Total assets		1,667	1,617
Liabilities			
Payables	1.10(a), 6.1	77	282
Provisions	1.10(b), 6.2	347	542
Attributed employee benefits	1.10(c), 6.3	1,155	1,082
Other liabilities	1.10(e), 6.4	4	70
Total liabilities		1,583	1,976
Net assets/(liabilities)		84	(359)
Equity			
Accumulated funds/(deficit)		84	(359)
Total equity/(deficit)		84	(359)

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

TOURISM TASMANIA STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	2013 \$'000	2012 \$'000
		Inflows	Inflows
		(Outflows)	(Outflows)
Cash flows from operating activities			
Cash inflows			
Attributed Appropriation receipts – recurrent		23,957	24,075
Receipts from Special Capital Investment Funds		–	10
Sales of goods and services		674	745
Other cash receipts		1	1
Total cash inflows		24,632	24,831
Cash outflows			
Attributed employee benefits		(7,102)	(8,787)
Supplies and consumables		(4,740)	(4,649)
Grants and subsidies		(2,644)	(2,073)
Advertising and promotion		(9,876)	(8,827)
Other cash payments		(455)	(921)
Total cash outflows		(24,817)	(25,257)
Net cash from (used by) operating activities	9.2	(185)	(426)
Cash flows from investing activities			
Cash outflows			
Payments for acquisition of non-financial assets		(186)	–
Total cash outflows		(186)	–
Net cash from (used by) investing activities		(186)	–
Net increase (decrease) in cash held and cash equivalents		(371)	(426)
Cash and deposits at the beginning of the reporting period		372	798
Cash and deposits at the end of the reporting period	9.1	1	372

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

TOURISM TASMANIA STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2012	(359)	(359)
Total comprehensive result	443	443
Balance as at 30 June 2013	84	84

	NOTE	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2011		(113)	(113)
Total comprehensive result		356	356
Transactions as owners in their capacity as owners:			
Internal Divisional Restructure – net assets relinquished	8.1	(602)	(602)
Balance as at 30 June 2012		(359)	(359)

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 2013

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NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 OBJECTIVES AND FUNDING

Tourism Tasmania was established under the *Tourism Tasmania Act 1996*. Under Section 4(1) of the *Tourism Tasmania Act 1996*, the body corporate operates under the corporate name Tourism Tasmania.

Tourism Tasmania's role is to lead the industry in jointly delivering marketing and development programs that drive benefits for Tasmania from domestic and international tourism.

Tourism Tasmania's priorities are to:

- Maximise Tasmania's tourism potential
- Drive demand for Tasmania
- Enhance industry's competitive position with market-leading research and sound policy advice
- Be a highly effective organisation.

Tourism Tasmania activities are classified as either controlled or administered.

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

Tourism Tasmania forms part of the Department of Economic Development, Tourism and the Arts (the Department). The activities of Tourism Tasmania are predominantly funded through attributed Parliamentary appropriations. It also provides services on a fee for service basis, as outlined in Note 3.3. The Financial Statements encompass all funds through which Tourism Tasmania controls resources to carry on its functions.

1.2 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 Board on 12 August 2013.

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 1.5 below.

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 attributed funding by the Department of Economic Development, Tourism and the Arts.

1.3 REPORTING ENTITY

The Financial Statements include all the controlled activities of Tourism Tasmania.

As a result of a departmental divisional restructure in 2011-12, Events Tasmania was transferred from the Department's Tourism Division to its Culture, Recreation and Sport Division effective 1 July 2011. Further disclosure is provided at Note 8.1.

1.4 FUNCTIONAL AND PRESENTATION CURRENCY

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

1.5 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:

- AASB 2010 6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* [AASBs 1 & 7] – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- AASB 2011 1 *Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project* [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2011 9 *Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.
- AASB 2012 6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* [AASB 9, AASB 2009 11, AASB 2010 7, AASB 2011 7 & AASB 2011 8] – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. 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* – This Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Standard was issued in August 2011 but is not yet available for application by not for profit entities. Tourism Tasmania has determined that the potential impact of implementation will be nil.
- AASB 119 *Employee Benefits* – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2012. Tourism Tasmania has not yet determined the application or the potential impact of the standard. Disclosure under review.
- AASB 2011 8 *Amendments to Australian Accounting Standards arising from AASB 13* [AASB 1, 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. Disclosure under review.
- AASB 2011 10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* [AASB 1, 8, 101, 124, 134, 1049, & 2011 8 and Interpretation 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. Disclosure under review.
- AASB 2012 5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009 2011 Cycle* [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2] – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. Tourism Tasmania has determined that the potential effect of implementation will be nil.

1.6 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.

(a) Attributed Revenue from Government

Attributed 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.

(b) Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(c) Other revenue

Other revenues are recognised when an increase in future economic benefits related to an increase of an asset or a decrease of a liability has arisen that can be measured reliably.

1.7 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.

(a) Attributed employee benefits

Tourism Tasmania does not employ staff in its own right and as a result activities of Tourism Tasmania are delivered by staff employed by the Department. That share of the employee benefits incurred by the Department that relate to Tourism Tasmania activities are included in the Statement of Comprehensive Income as Attributed Employee Benefits and include where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) 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.

Depreciation is provided for on a straight-line basis using rates which are reviewed annually. Major depreciation periods are:

Plant and equipment	2-25 years
Leasehold improvements	5-12 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
----------	---------

(c) 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.

(d) 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.

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.

(e) 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.

(f) Financing costs

Tourism Tasmania has no borrowings. The only finance costs incurred relate to unwinding of discounting of provisions.

(g) **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.

1.8 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.

(a) **Gain/(loss) on sale of non-financial assets**

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer.

(b) **Impairment – Non financial assets**

All non financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. Tourism Tasmania's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it. All impairment losses are recognised in the Statement of Comprehensive Income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(c) **Other gains/(losses) from other economic flows**

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

1.9 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.

(a) **Cash and deposits**

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.

(b) **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.

(c) **Plant and equipment and Leasehold improvements**

(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. 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).

(d) **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.

(e) **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.

1.10 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.

(a) **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.

(b) **Provisions**

A provision arises if, as a result of a past event, Tourism Tasmania has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

(c) **Attributed 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.

(d) **Superannuation**

(i) *Defined contribution plans*

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) *Defined benefit plans*

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

Tourism Tasmania does not recognise a liability for the accruing superannuation benefits for employees delivering Tourism Tasmania activities. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

(e) **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.

1.11 LEASES

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.

1.12 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, Tourism Tasmania is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by Tourism Tasmania that have significant effects on the Financial Statements are disclosed in the relevant notes as follows:

- Provisions (refer to Notes 1.10(b), 6.2); and
- Attributed employee benefits (refer to Notes 1.10(c), 6.3).

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

1.13 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.

1.14 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 1.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

1.15 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

1.16 TAXATION

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

1.17 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.

NOTE 2

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 2013.

NOTE 3

INCOME FROM TRANSACTIONS

3.1 ATTRIBUTED REVENUE FROM GOVERNMENT

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

	2013 \$'000	2012 \$'000
Attributed Appropriation revenue – recurrent		
Current year	23,957	24,075
Total	23,957	24,075
Total Attributed revenue from Government	23,957	24,075

Section 8A(2) of the *Public Account Act 1986* allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended. There were no such items in 2012-13 or 2011-12.

3.2 REVENUE FROM SPECIAL CAPITAL INVESTMENT FUNDS

Funding for major infrastructure projects is provided through Special Capital Investment Funds (SCIF). Tourism Tasmania is allocated funding by the Department of Economic Development, Tourism and the Arts for specific projects from the Special Capital Investment Funds as part of the State Budget process.

	2013 \$'000	2012 \$'000
Economic and Social Infrastructure Fund	–	10
Total	–	10

The decrease relates to SCIF AFL Arrangement (Hawthorn Football Club) no longer administered by Tourism Tasmania.

3.3 SALES OF GOODS AND SERVICES

	2013 \$'000	2012 \$'000
User charges including advertising	862	715
Total	862	715

3.4 OTHER REVENUE

	2012 \$'000	2011 \$'000
Recoveries, reimbursements and other revenue from continuing operations	1	1
Total	1	1

NOTE 4

EXPENSES FROM TRANSACTIONS

4.1 ATTRIBUTED EMPLOYEE BENEFITS	2013	2012
	\$'000	\$'000
Wages and salaries	5,480	5,773
Annual leave	401	300
Long service leave	55	(268)
Sick leave	156	229
Superannuation – defined benefit scheme	67	81
Superannuation – contribution schemes	654	604
Other post-employment benefits	267	1,366
Other employee expenses	95	169
Total	7,175	8,254

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of nine per cent of salary. In addition, Tourism Tasmania is also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.5 per cent of salary in respect of employees who are members of contribution schemes.

4.2 DEPRECIATION AND AMORTISATION

(a) Depreciation	2013	2012
	\$'000	\$'000
Plant and equipment	5	65
Total	5	65

(b) Amortisation	2013	2012
	\$'000	\$'000
Intangibles	59	105
Leasehold Improvements	37	49
Total	96	154
Total depreciation and amortisation	101	219

4.3 SUPPLIES AND CONSUMABLES	2013	2012
	\$'000	\$'000
Audit fees – financial audit	41	40
Audit fees – internal audit	73	95
Operating lease costs	643	775
Consultants and contracted services	2,419	1,563
Property expenses	114	142
Maintenance	62	19
Communications	173	243
Information technology	428	811
Travel and transport	532	520
Other supplies and consumables	266	232
Total	4,751	4,440

4.4 GRANTS AND SUBSIDIES	2013 \$'000	2012 \$'000
Special Capital Investment Funds	–	285
Regional tourism support	1,296	721
Convention program support	681	768
Sponsorship	446	299
Building Opportunities for Business	221	–
Total	2,644	2,073

4.5 ADVERTISING AND PROMOTION	2013 \$'000	2012 \$'000
Advertising and promotion	9,605	8,794
Total	9,605	8,794

4.6 FINANCE COSTS	2013 \$'000	2012 \$'000
Unwinding of discounting of provisions	(10)	62
Total	(10)	62

4.7 OTHER EXPENSES	2013 \$'000	2012 \$'000
Salary on costs	83	475
Seminars and conferences	37	53
Other	(9)	75
Total	111	603

NOTE 5

ASSETS

5.1 RECEIVABLES	2013 \$'000	2012 \$'000
Receivables	1	12
Tax assets	7	4
Total	8	16
Settled within 12 months	8	16
Settled in more than 12 months	–	–
Total	8	16

5.2 PLANT AND EQUIPMENT	2013 \$'000	2012 \$'000
(a) Carrying amount		
Plant and equipment		
At cost	277	277
Less: Accumulated depreciation	(277)	(272)
Total plant and equipment	–	5
(b) Reconciliation of movements		
Carrying amount at 1 July	5	70
Depreciation expense	(5)	(65)
Carrying amount at 30 June	–	5

5.3 LEASEHOLD IMPROVEMENTS

(a) Carrying amount	2013 \$'000	2012 \$'000
Leasehold improvements		
At cost	534	534
Less: Accumulated amortisation	(272)	(235)
Total leasehold improvements	262	299
(b) Reconciliation of movements	2013 \$'000	2012 \$'000
Carrying amount at 1 July	299	365
Net assets relinquished on internal divisional restructure	–	(17)
Amortisation expense	(37)	(49)
Carrying amount at 30 June	262	299

5.4 INTANGIBLES

(a) Carrying amount	2013 \$'000	2012 \$'000
Intangibles with a finite useful life		
Software at cost	906	719
Less: Accumulated amortisation	(664)	(604)
Total	242	115
(b) Reconciliation of movements	2013 \$'000	2012 \$'000
Carrying amount at 1 July	115	220
Additions to work in progress	186	–
Amortisation expense	(59)	(105)
Carrying amount at 30 June	242	115

5.5 OTHER ASSETS

(a) Carrying amount	2013 \$'000	2012 \$'000
Other current assets		
Prepayments	1,154	809
Other	–	1
Total	1,154	810
Utilised within 12 months	1,014	810
Utilised in more than 12 months	140	–
Total	1,154	810

NOTE 6

LIABILITIES

6.1 PAYABLES	2013 \$'000	2012 \$'000
Creditors	19	249
Accrued expenses	58	33
Total	77	282
Settled within 12 months	77	282
Settled in more than 12 months	-	-
Total	77	282

Settlement is usually made within 30 days.

6.2 PROVISIONS	2013 \$'000	2012 \$'000
(a) Carrying amount		
Operating lease provisions	159	149
Operating lease make-good provisions	188	393
Total	347	542
Settled within 12 months	159	352
Settled in more than 12 months	188	190
Total	347	542

The amount of provisions is the best estimate of the expenditure required to settle the present obligation, as at the end of the reporting period. The best estimate at the end of the reporting period, takes into account increases of costs, using the Consumer Price Index (CPI). The provision is discounted to reflect the present value of such expenditures where the time value of money is material.

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease provisions		Total Provisions	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Balance at 1 July	393	347	149	216	542	563
Increases	5	16	-	-	5	16
Changes against the provision	(195)	-	-	-	(195)	-
Changes in discounting	(15)	46	-	-	(15)	46
Reversals	-	-	10	(63)	10	(63)
Net liabilities relinquished on internal divisional restructure	-	(16)	-	(4)	-	(20)
Balance at 30 June	188	393	159	149	347	542

6.3 ATTRIBUTED EMPLOYEE BENEFITS	2013 \$'000	2012 \$'000
Accrued salaries	252	157
Annual leave	330	361
Long service leave	573	564
Total	1,155	1,082
Settled within 12 months	624	558
Settled in more than 12 months	531	524
Total	1,155	1,082

6.4 OTHER LIABILITIES

	2013 \$'000	2012 \$'000
Other liabilities		
Employee benefits – on-costs	4	70
Total	4	70
Settled within 12 months	2	36
Settled in more than 12 months	2	34
Total	4	70

NOTE 7

COMMITMENTS AND CONTINGENCIES

7.1 SCHEDULE OF COMMITMENTS

	2013 \$'000	2012 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	7,257	7,536
<i>Total lease commitments</i>	7,257	7,536
<i>Other Commitments</i>		
Program commitments	8,001	4,262
<i>Total Other commitments</i>	8,001	4,262
Total	15,258	11,798
By maturity		
<i>Operating lease commitments</i>		
One year or less	496	479
From one to five years	2,513	2,339
More than five years	4,248	4,718
<i>Total lease commitments</i>	7,257	7,536
<i>Other commitments</i>		
One year or less	3,296	2,939
From one to five years	4,705	1,323
More than five years	–	–
<i>Total Other commitments</i>	8,001	4,262
Total	15,258	11,798

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. These range from 3 to 13 years.

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.

7.2 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 2013, Tourism Tasmania did not have any contingent assets or liabilities.

NOTE 8

INTERNAL DIVISIONAL RESTRUCTURE

8.1 INTERNAL DIVISIONAL RESTRUCTURE

As a result of a departmental divisional restructure, Events Tasmania was transferred from the Department's Tourism Division to its Culture, Recreation and Sport Division effective 1 July 2011.

The net assets and liabilities relinquished are as follows:

	2013 \$'000	2012 \$'000
Net assets relinquished on Internal Divisional Restructure		
Leasehold Improvements	-	(17)
Prepayments	-	(704)
Total assets relinquished	-	(721)
Net liabilities relinquished on Internal Divisional Restructure		
Attributed employee benefits	-	93
Provisions	-	20
Other liabilities	-	6
Total liabilities relinquished	-	119
Net (assets) liabilities relinquished on Internal Divisional Restructure	-	(602)

NOTE 9

CASH FLOW RECONCILIATION

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, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2013 \$'000	2012 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	-	371
Total assets relinquished	-	371
Other cash held		
Cash on hand and at bank	1	1
Total	1	1
Total cash and deposits	1	372

9.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2013 \$'000	2012 \$'000
Net result from transactions (net operating balance)	443	356
Depreciation and amortisation	101	219
Decrease (increase) in Receivables	8	30
Decrease (increase) in Other assets	(344)	(255)
Increase (decrease) in Attributed employee benefits	73	(532)
Increase (decrease) in Payables	(205)	(210)
Increase (decrease) in Provisions	(195)	(1)
Increase (decrease) in Other liabilities	(66)	(33)
Net cash from (used by) operating activities	(185)	(426)

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; and
- market 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.
Other Financial Assets	Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
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 2013 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	-	-	-	-

Analysis of financial assets that are past due at 30 June 2012 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	4	-	5	9

(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 attributed funding from the Government through the Department of Economic Development, Tourism and the Arts.

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.
Financial Liabilities	Liabilities are recognised at amortised cost and when it is probable that the future sacrifice of economic benefits will be required and the amount of the liability can be measured reliably.	

The following tables detail the undiscounted cash flows payable by Tourism Tasmania relating to the remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2013

Maturity analysis for financial liabilities								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	77	-	-	-	-	-	77	77
Total	77	-	-	-	-	-	77	77

2012

Maturity analysis for financial liabilities								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	282	-	-	-	-	-	282	282
Total	282	-	-	-	-	-	282	282

(d) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Tourism Tasmania does not hold any investments or borrowings which would expose it to changes in interest rates. The Government holds the equity in interest in Tourism Tasmania on behalf of the community.

10.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2013 \$'000	2012 \$'000
Financial assets		
Cash and deposits	1	372
Loans and receivables	8	16
Total	9	388
Financial liabilities		
Financial liabilities measured at amortised cost	77	282
Total	77	282

10.3 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying Amount 2013 \$'000	Net Fair Value 2013 \$'000	Carrying Amount 2012 \$'000	Net Fair Value 2012 \$'000
Financial assets				
Cash at bank	1	1	1	1
Cash in Special Deposits and Trust Fund	–	–	371	371
Receivables	8	8	16	16
Total financial assets	9	9	388	388
Financial liabilities (Recognised)				
Payables	77	77	282	282
Total financial liabilities (Recognised)	77	77	282	282

NOTE 11

ADMINISTERED STATEMENTS AND NOTES

11.1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES	2013	2012
	\$'000	\$'000
Administered revenue and other income from transactions		
Revenue from Government		
Appropriation revenue – recurrent	1,000	1,000
Total administered revenue and other income from transactions	1,000	1,000
Administered expenses from transactions		
Grants and subsidies		
Tasmanian Icon Program	1,000	1,000
Total administered expenses from transactions	1,000	1,000
Administered net result from transactions	–	–

Tourism Tasmania does not have any administered assets or liabilities.

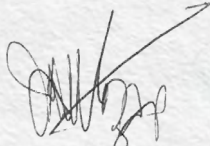
11.2 SCHEDULE OF ADMINISTERED COMMITMENTS	2013	2012
	\$'000	\$'000
By type		
<i>Other commitments</i>		
Grants and subsidies	1,000	1,000
<i>Total other commitments</i>	1,000	1,000
Total	1,000	1,000
By maturity		
<i>Other commitments</i>		
One year or less	1,000	1,000
From one to five years	–	–
More than five years	–	–
<i>Total other commitments</i>	1,000	1,000
Total	1,000	1,000

The Tasmanian Icon Program is designed to utilise world-class Tasmanian talent to promote the State both nationally and internationally. Currently, funded icons are the Tasmanian Symphony Orchestra and the State Cricket Team, the Tassie Tigers.

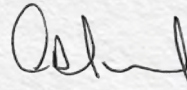
CERTIFICATION OF FINANCIAL STATEMENTS

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 paragraph 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2013 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
DIRECTOR
Date: 12 August 2013



.....
Grant Hunt
CHAIRMAN OF THE BOARD
Date: 12 August 2013



Tasmanian Audit Office

Independent Auditor's Report

To Members of the Parliament of Tasmania

Tourism Tasmania

Financial Statements for the Year Ended 30 June 2013

I have audited the accompanying financial statements of Tourism Tasmania (the Authority), which comprise the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the directors of the Authority.

Auditor's Opinion

In my opinion the Authority's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2013 and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards.

The Responsibility of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and Section 38 of *Tourism Tasmania Act 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

...1 of 2

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Directors' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

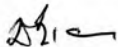
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



H M Blake
Auditor-General
HOBART
26 September 2013

...2 of 2

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

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Tasmania

◀ GO BEHIND THE SCENERY ▶

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