

TOURISM TASMANIA FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

29

TOURISM TASMANIA STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2011

30

TOURISM TASMANIA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

31

TOURISM TASMANIA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

32

TOURISM TASMANIA STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

33

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

TOURISM TASMANIA STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 ACTUAL \$'000	2010 ACTUAL \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Attributed Revenue from Government			
Appropriation revenue - recurrent	1.6(a), 3.1	30,724	30,454
Appropriation revenue - section 8A of the <i>Public Account Act 1986</i>	1.6(a), 3.1	-	-
Revenue from Special Capital Investment Funds	3.2	3,568	3,864
Sales of goods and services	1.6(b), 3.3	769	1,816
Other revenue	1.6(c), 3.4	178	5
Total revenue and other income from transactions		35,239	36,139
Expenses from transactions			
Attributed employee benefits	1.7(a), 4.1	10,205	10,654
Depreciation and amortisation	1.7(b), 4.2	273	287
Supplies and consumables	1.7(c), 4.3	5,765	5,422
Grants and subsidies	1.7(d), 4.4	8,963	8,490
Advertising and promotion	1.7(e), 4.5	9,561	10,834
Financing costs	1.7(f), 4.6	-	9
Other expenses	1.7(g), 4.7	858	1,133
Total expenses from transactions		35,625	36,829
Net result from transactions (net operating balance)		(386)	(690)
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables	1.8(b), 5.1	(22)	-
Total other economic flows included in net result		(22)	-
Net result from continuing operations		(408)	(690)
Net result		(408)	(690)
Comprehensive result		(408)	(690)

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

TOURISM TASMANIA STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	NOTES	2011 ACTUAL \$'000	2010 ACTUAL \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.9(a), 9.1	798	780
Receivables	1.9(b), 6.1	46	132
<i>Non-financial assets</i>			
Plant and equipment	1.9(c), 6.2	435	423
Intangibles	1.9(d), 6.3	220	370
Other assets	1.9(e), 6.4	1,260	1,166
Total assets		2,759	2,871
Liabilities			
Payables	1.10(a), 7.1	492	359
Provisions	1.10(b), 7.2	563	619
Attributed employee benefits	1.10(c), 7.3	1,708	1,503
Other liabilities	1.10(e), 7.4	109	95
Total liabilities		2,872	2,576
Net assets/(liabilities)		(113)	295
Equity			
Accumulated funds		(113)	295
Total equity/(deficit)		(113)	295

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 2011

	NOTES	2011 ACTUAL \$'000	2010 ACTUAL \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Attributed Appropriation receipts - recurrent		30,724	30,454
Receipts from Special Capital Investment Funds		3,568	3,864
Sales of goods and services		833	1,808
Other cash receipts		44	5
Total cash inflows		35,169	36,131
Cash outflows			
Attributed employee benefits		(10,000)	(11,288)
Supplies and consumables		(5,633)	(5,422)
Grants and subsidies		(8,963)	(8,490)
Advertising and promotion		(9,547)	(11,381)
Other cash payments		(1,008)	(2,215)
Total cash outflows		(35,151)	(38,796)
Net cash from (used by) operating activities	9.2	18	(2,665)
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		-	-
Total cash inflows		-	-
Cash outflows			
Payments for acquisition of non-financial assets		-	-
Total cash outflows		-	-
Net cash from (used by) investing activities		-	-
Net increase (decrease) in cash held and cash equivalents		18	(2,665)
Cash and deposits at the beginning of the reporting period		780	3,445
Cash and deposits at the end of the reporting period	9.1	798	780

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 2011

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2010	295	295
Adjustment due to change in accounting policy	-	-
	295	295
Total comprehensive result	(408)	(408)
Balance as at 30 June 2011	(113)	(113)

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2009	985	985
Adjustment due to change in accounting policy	-	-
	985	985
Total comprehensive result	(690)	(690)
Balance as at 30 June 2010	295	295

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 2011

NOTE 1	SIGNIFICANT ACCOUNTING POLICIES	35
	1.1 Objectives and Funding	35
	1.2 Basis of Accounting	35
	1.3 Reporting Entity	35
	1.4 Functional and Presentation Currency	35
	1.5 Changes in Accounting Policies	35
	1.6 Income from transactions	36
	1.7 Expenses from transactions	36
	1.8 Other economic flows included in net result	37
	1.9 Assets	38
	1.10 Liabilities	38
	1.11 Leases	39
	1.12 Judgements and Assumptions	39
	1.13 Foreign Currency	39
	1.14 Comparative Figures	39
	1.15 Rounding	40
	1.16 Taxation	40
	1.17 Goods and Services Tax	40
NOTE 2	EVENTS OCCURRING AFTER BALANCE DATE	40
NOTE 3	INCOME FROM TRANSACTIONS	41
	3.1 Attributed Revenue from Government	41
	3.2 Revenue from Special Capital Investment Funds	41
	3.3 Sales of goods and services	41
	3.4 Other revenue	41
NOTE 4	EXPENSES FROM TRANSACTIONS	42
	4.1 Attributed employee benefits	42
	4.2 Depreciation and amortisation	42
	4.3 Supplies and consumables	42
	4.4 Grants and subsidies	43
	4.5 Advertising and promotion	43
	4.6 Financing costs	43
	4.7 Other expenses	43
NOTE 5	OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT	43
	5.1 Net gain/(loss) on financial instruments and statutory receivables/payables	43
NOTE 6	ASSETS	44
	6.1 Receivables	44
	6.2 Plant and equipment	44
	6.3 Intangibles	44
	6.4 Other assets	45

NOTE	7	LIABILITIES	45
	7.1	Payables	45
	7.2	Provisions	45
	7.3	Attributed employee benefits	46
	7.4	Other liabilities	46
NOTE	8	COMMITMENTS AND CONTINGENCIES	47
	8.1	Schedule of Commitments	47
	8.2	Contingent Assets and Liabilities	47
NOTE	9	CASH FLOW RECONCILIATION	48
	9.1	Cash and deposits	48
	9.2	Reconciliation of Net Result to Net Cash from Operating Activities	48
NOTE	10	FINANCIAL INSTRUMENTS	49
	10.1	Risk exposures	49
	10.2	Categories of Financial Assets and Liabilities	51
	10.3	Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities	51
NOTE	11	NOTES TO ADMINISTERED STATEMENTS	51
	11.1	Schedule of Administered Income and Expenses	51
		CERTIFICATION OF FINANCIAL STATEMENTS	56

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
- Foster the supply of tourism products and experiences
- Enhance industry's competitive position with market-leading research and analysis
- 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. Administered activities involve the management or oversight by Tourism Tasmania, on behalf of the Government, of items controlled or incurred by the Government.

Tourism Tasmania forms part of the Department of Economic Development, Tourism and the Arts. 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 the Chief Executive and Chairman of the Tourism Tasmania Board on 15 August 2011.

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 activities of Tourism Tasmania. The Financial Statements consolidate material transactions and balances of Tourism Tasmania and Events Tasmania.

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 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* – This Standard introduces some minor terminology changes. There is no expected financial impact of applying these changes.
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – This Standard introduces small disclosure and classification changes. There is no expected financial impact of applying these changes.

(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 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* – The amendments require modification to the disclosure of categories of financial assets. It is not anticipated that there will be any financial impact.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose Financial Statements. The Standard does not have any financial impact on the Department. However, it may affect disclosures if reduced disclosure requirements apply.
- AASB 1054 *Australian Additional Disclosures* – This standard has arisen as a result of the decision, as part of the Trans-Tasman Convergence Project, to move any requirements (for-profits only) which were over and above IFRS requirements to a separate standard. As the inclusions in this standard are simply sections moved from other standards, currently in operation, there will be no material impact when the standard is applied.
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes, as the Department is likely to be considered a Tier 1 entity.
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* – This Standard includes additional presentation and disclosure requirements for financial assets. It is not expected to have a financial impact.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* – This Standard makes minor revisions, however it is not expected to have a financial impact.
- AASB 2009-12 *Amendments to Australian Accounting Standards* – This Standard introduces a number of terminology changes. There is no expected financial impact.
- AASB 2010-5 *Amendments to Australian Accounting Standards* – This Standard introduces terminology changes as well as presentation changes, however, there is no financial impact from these revisions.

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 of Economic Development, Tourism and the Arts. 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. The major depreciation period is:

Plant and equipment	2-25 years
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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
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(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.

(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 financing 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.

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

(i) Valuation basis

Non-current physical assets, including work in progress, 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 2011, 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 Note 7.2 Provisions, no other significant judgements, estimates or assumptions warranting separate disclosures were made.

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, Payroll Tax 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.

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

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 2011.

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* and Items Reserved by Law.

	2011 ACTUAL \$'000	2010 ACTUAL \$'000
Attributed Appropriation revenue - recurrent		
Current year	30,724	30,454
Total	30,724	30,454
Revenue from Government - other		
Attributed Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	-	-
Total	-	-
Total Attributed revenue from Government	30,724	30,454

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 2010-11.

3.2 REVENUE FROM SPECIAL CAPITAL INVESTMENT FUNDS

Funding for major infrastructure projects is provided through Special Capital Investment Funds. 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.

	2011 ACTUAL \$'000	2010 ACTUAL \$'000
Economic and Social Infrastructure Fund	3,568	3,864
Total	3,568	3,864

3.3 SALES OF GOODS AND SERVICES

	2011 \$'000	2010 \$'000
Travel sales revenue	-	1,335
Less: supplier costs	-	(1,207)
	-	128
User charges including advertising	769	1,688
Total	769	1,816

The reduction in Travel sales revenue and associated supplier costs is due to the closure of Tasmania's Temptations Holidays.

3.4 OTHER REVENUE

	2011 \$'000	2010 \$'000
Recoveries, reimbursements and other revenue from continuing operations	178	5
Total	178	5

NOTE 4

EXPENSES FROM TRANSACTIONS

4.1 ATTRIBUTED EMPLOYEE BENEFITS	2011 \$'000	2010 \$'000
Wages and salaries	7,714	7,640
Annual leave	635	386
Long service leave	199	(207)
Sick leave	305	335
Superannuation – defined benefit scheme	140	135
Superannuation – contribution schemes	804	613
Other post-employment benefits	223	1,566
Other employee expenses	185	186
Total	10,205	10,654

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance General Division of the Department of Treasury and Finance. 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 12.3 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, Departments are also required to pay into the SPA a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of contribution schemes.

4.2 DEPRECIATION AND AMORTISATION

(a) Depreciation	2011 \$'000	2010 \$'000
Plant and equipment	123	127
Total	123	127
 (b) Amortisation	 2011 \$'000	 2010 \$'000
Intangibles	150	160
Total	150	160
Total depreciation and amortisation	273	287

4.3 SUPPLIES AND CONSUMABLES	2011 \$'000	2010 \$'000
Audit fees – financial audit	41	46
Audit fees – internal audit	102	77
Operating lease costs	963	738
Consultants and contracted services	2,252	2,230
Property expenses	130	185
Maintenance	25	46
Communications	387	404
Information technology	798	845
Travel and transport	694	665
Other supplies and consumables	373	186
Total	5,765	5,422

4.4 GRANTS AND SUBSIDIES	2011	2010
	\$'000	\$'000
Special Capital Investment Funds	3,170	3,855
Regional tourism support	1,295	1,090
Convention program support	741	870
Other tourism development assistance	-	6
Sponsorship	477	164
Urban Renewal Heritage Fund	70	-
Other events grants and investment attractions	3,210	2,505
Total	8,963	8,490
4.5 ADVERTISING AND PROMOTION	2011	2010
	\$'000	\$'000
Advertising and promotion	9,561	10,834
Total	9,561	10,834
4.6 FINANCING COSTS	2011	2010
	\$'000	\$'000
Unwinding of discounting of provisions	-	9
Total	-	9
4.7 OTHER EXPENSES	2011	2010
	\$'000	\$'000
Salary on costs	642	577
Seminars and conferences	59	48
Other	157	508
Total	858	1,133

NOTE 5

OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

5.1 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

	2011	2010
	\$'000	\$'000
Receivables written-off during the year	(22)	-
Total net gain/(loss) on financial instruments	(22)	-

NOTE 6

ASSETS

6.1 RECEIVABLES	2011	2010
	\$'000	\$'000
Receivables	22	121
Less: Provision for impairment	-	-
Tax assets	24	11
Total	46	132
Settled within 12 months	46	132
Settled in more than 12 months	-	-
Total	46	132
6.2 PLANT AND EQUIPMENT		
(a) Carrying amount	2011	2010
	\$'000	\$'000
Plant and equipment		
At cost	838	992
Less: Accumulated depreciation	(403)	(569)
Total plant and equipment	435	423
(b) Reconciliation of movements		
Reconciliations of the carrying amounts of each class of Plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.		
	2011	2010
	\$'000	\$'000
Carrying amount at 1 July	423	550
Additions	152	-
Disposals	(17)	-
Depreciation and amortisation	(123)	(127)
Carrying amount at 30 June	435	423
6.3 INTANGIBLES		
(a) Carrying amount	2011	2010
	\$'000	\$'000
Intangibles with a finite useful life		
Software at cost	814	814
Less: Accumulated amortisation	(594)	(444)
Total	220	370
(b) Reconciliation of movements	2011	2010
	\$'000	\$'000
Carrying amount at 1 July	370	530
Depreciation/ amortisation expense	(150)	(160)
Carrying amount at 30 June	220	370

6.4 OTHER ASSETS

(a) Carrying amount

	2011 \$'000	2010 \$'000
Other current assets		
Prepayments	1,260	1,165
Other	-	1
Total	1,260	1,166
Settled within 12 months	1,260	1,166
Settled in more than 12 months	-	-
Total	1,260	1,166

NOTE 7

LIABILITIES

7.1 PAYABLES

	2011 \$'000	2010 \$'000
Creditors	229	233
Accrued expenses	263	126
Total	492	359
Settled within 12 months	492	359
Settled in more than 12 months	-	-
Total	492	359

Settlement is usually made within 30 days.

7.2 PROVISIONS

(a) Carrying amount

	2011 \$'000	2010 \$'000
Operating lease provisions	216	120
Operating lease make-good provisions	347	499
Total	563	619
Settled within 12 months	216	199
Settled in more than 12 months	347	420
Total	563	619

Movements in provisions relate to the renegotiation of tenancy leases held by the Department and the corresponding changes in the base cost of make-good provisions.

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease provisions		Total Provisions	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at 1 July	499	490	120	129	619	619
Increases	9	24	96	-	105	24
Changes against the provision	(152)	-	-	(9)	(152)	(9)
Changes in discounting	(9)	(15)	-	-	(9)	(15)
Balance at 30 June	347	499	216	120	563	619

7.3 ATTRIBUTED EMPLOYEE BENEFITS

	2011 \$'000	2010 \$'000
Accrued salaries	247	228
Annual leave	490	441
Long service leave	971	834
Total	1,708	1,503
Settled within 12 months	819	762
Settled in more than 12 months	889	741
Total	1,708	1,503

7.4 OTHER LIABILITIES

	2011 \$'000	2010 \$'000
Other liabilities		
Employee benefits – on-costs	109	94
Other liabilities	-	1
Total	109	95
Settled within 12 months	51	47
Settled in more than 12 months	58	48
Total	109	95

NOTE 8

COMMITMENTS AND CONTINGENCIES

8.1 SCHEDULE OF COMMITMENTS	2011 \$'000	2010 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	9,387	1,609
Total lease commitments	9,387	1,609
<i>Other Commitments</i>		
Program commitments	2,013	4,811
Total Other commitments	2,013	4,811
Total	11,400	6,420
By maturity		
<i>Operating lease commitments</i>		
One year or less	837	777
From one to five years	2,541	832
More than five years	6,009	-
Total lease commitments	9,387	1,609
<i>Other commitments</i>		
One year or less	1,313	3,693
From one to five years	700	1,118
More than five years	-	-
Total Other commitments	2,013	4,811
Total	11,400	6,420

Operating leases are associated with rental costs for leased premises occupied by the Department, 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 2 to 15 years.

The increase in the 2011 operating lease commitment relates to the Department entering into a new long term lease of the ANZ Centre that commenced in May 2011.

The Program commitments shows amounts approved to clients payable over a period greater than one year 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. The estimated commitment as at 30 June 2011 has been included in these cases.

8.2 CONTINGENT ASSETS AND LIABILITIES

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

(a) Unquantifiable contingencies

At 30 June 2011, Tourism Tasmania had an outstanding legal claim against it as detailed below. It is not possible at the reporting date to accurately estimate the amounts of eventual receipts or payments, if any, that may be required in relation to this claim.

- Tourism Tasmania is disputing a workers' compensation claim lodged by an employee. A hearing date is yet to be set by the Tribunal.

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.

	2011 \$'000	2010 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	358	334
T659 Tourism Trading Account	439	444
Total	797	778
Other cash held		
Cash on hand and at bank	1	2
Total	1	2
Total cash and deposits	798	780

9.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2011 \$'000	2010 \$'000
Net result	(408)	(690)
Depreciation and amortisation	273	287
Impairment adjustments	22	-
Derecognition of provisions	(152)	-
Decrease (increase) in Receivables	82	(8)
Decrease (increase) in Other assets	(94)	(99)
Increase (decrease) in Attributed employee benefits	205	(634)
Increase (decrease) in Payables	133	(974)
Increase (decrease) in Provisions	(57)	-
Increase (decrease) in Other liabilities	14	(547)
Net cash from (used by) operating activities	18	(2,665)

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, and receives standard commercial credit terms for sundry creditors except for travel related sales where full payment is due at least thirty days prior to the travel.

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 2011 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	3	1	14	18

Analysis of financial assets that are past due at 30 June 2010 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	21	15	15	51

(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, 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:

2011

Maturity analysis for financial liabilities								
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	492	-	-	-	-	-	492	492
Total	492	-	-	-	-	-	492	492

2010

Maturity analysis for financial liabilities								
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	359	-	-	-	-	-	359	359
Total	359	-	-	-	-	-	359	359

(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

	2011 \$'000	2010 \$'000
Financial assets		
Cash and deposits	798	780
Loans and receivables	46	132
Total	844	912
Financial Liabilities		
Financial liabilities measured at amortised cost	492	359
Total	492	359

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

	Carrying Amount 2011 \$'000	Net Fair Value 2011 \$'000	Carrying Amount 2010 \$'000	Net Fair Value 2010 \$'000
Financial assets				
Cash at bank	1	1	2	2
Cash in Special Deposits and Trust Fund	797	797	778	778
Receivables	46	46	132	132
Total financial assets	844	844	912	912
Financial liabilities (Recognised)				
Payables	492	492	359	359
Total financial liabilities (Recognised)	492	492	359	359

NOTE 11

NOTES TO ADMINISTERED STATEMENTS

11.1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

	2011 \$'000	2010 \$'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	-	-

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 2011 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.



Tony Mayell
CHIEF EXECUTIVE OFFICER
Date: 15 August 2011



Grant Hunt
CHAIRMAN OF THE BOARD
Date: 15 August 2011



INDEPENDENT AUDITOR'S REPORT

To Members of the Parliament of Tasmania

TOURISM TASMANIA

Financial Report for the Year Ended 30 June 2011

I have audited the accompanying financial report of Tourism Tasmania (Authority), which comprises the statement of financial position as at 30 June 2011, 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 report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards.

The Responsibility of the Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report 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 report that is 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 report 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 report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to

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fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Directors preparation and fair presentation of the financial report 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 report.

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



E R De Santi
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
23 September 2011

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