

A long, narrow, metallic tunnel with a glowing red eye at the end. The tunnel is made of polished metal panels that reflect light, creating a sense of depth and perspective. At the far end of the tunnel, a circular opening reveals a bright red, glowing eye, which is the central focus of the image. The overall atmosphere is mysterious and intriguing.

FEED YOUR CURIOUS

TOURISM TASMANIA

ANNUAL REPORT 2017-18

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## HOW TO CONTACT US

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ISSN: 1836-2966

## ABOUT OUR ANNUAL REPORT

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The Tourism Tasmania Annual Report 2017-18 details the Authority’s performance during the year in review, describes the activities that shaped and contributed to that performance, explains how Tourism Tasmania has achieved its stated targets and provides a comprehensive financial report.

The Annual Report is available online at  
▶ [https://www.tourismtasmania.com.au/about/publications/annual\\_report](https://www.tourismtasmania.com.au/about/publications/annual_report)

## SUBMISSION TO THE MINISTER

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Dear Minister

Section 41 of the *Tourism Tasmania Act 1996* (the Act) requires that the board of directors 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, we 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 2018.

Yours sincerely

James Cretan  
Chairman  
Tourism Tasmania Board

John Fitzgerald  
Chief Executive Officer  
Tourism Tasmania

October 2018



# ABOUT US

Tourism Tasmania is a State Authority created under the *Tourism Tasmania Act 1996*.

It has a seven member board of directors with strong expertise in tourism development, marketing and commerce.





## STATEMENT OF CORPORATE INTENT

**W**hile this publication looks back over the past twelve months, the Tourism Tasmania Act 1996 states that the Annual Report is to include the Statement of Corporate Intent relating to the corporate plan that takes effect at the beginning of the next financial year.

This Statement of Corporate Intent is a summary of the *Tourism Tasmania Corporate Plan 2018-2021*.

The Plan recognises Tourism Tasmania's role as a demand generator and brand leader in Tasmania's visitor economy. It also establishes the Authority's role as a leader and influencer in shaping the future of sustainable tourism in the state and sets out the approach it will take over the next three years to achieve the government and industry's agreed T21 goals.

IT WANTS TO EXPERIENCE  
SOMETHING ELSE.

## T21 – THE TASMANIAN VISITOR ECONOMY STRATEGY

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**T**ourism Tasmania is a lead partner in Tasmania's visitor economy, working with industry and across government to achieve the goals in the T21 strategy. The Authority's work program has directly contributed to the T21 priorities of generating demand for travel to Tasmania and expanding air and sea access. Tourism Tasmania also provided secretariat services to the Premier's Visitor Economy Advisory Council and the T21 Steering Committee who, respectively have responsibility for oversight of the T21 strategy and implementation of T21 priority actions.

During the past year the Premier's Visitor Economy Advisory Council met once, the T21 Steering Committee three times and an Infrastructure Sub-Committee convened three times. A T21 roundtable consultation was held in July 2017 with over 70 visitor economy business, government and tourism organisation representatives who provided information and insights that have informed subsequent strategic planning.

The T21 Progress Report 4 was issued in December 2017 and a T21 Mid-term Update released in May 2018. Copies of the T21 strategy and reports are available at [www.t21.net.au](http://www.t21.net.au)



Devil's Corner Vineyard © Lisa Kuilenburg



SLIGHTLY ODD,  
DEFINITELY DIFFERENT.

## TOURISM TASMANIA'S ROLE

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**T**ourism Tasmania's primary roles are to attract leisure visitors to the state and grow air and sea access for travellers and the Tasmanian community.

Tourism Tasmania's marketing program is delivered in domestic and international markets and targets well-defined segments of the travelling leisure market. Our role is to attract travellers who will deliver the greatest value to Tasmania. Our efforts focus on attracting visitors who are aligned with what we have to offer and who want to connect with our communities.

We have a strong focus on commercial partnerships and collaborate across the year with access, travel trade, media, event and brand partners.

Tourism Tasmania also has a role in working closely with the tourism industry, sector bodies and other government agencies to ensure growth in Tasmania's visitor economy is matched with adequate supply of new tourism experiences, accommodation, infrastructure, skilled workforce and air and sea access. It actively contributes and helps shape policy on the development of a thriving and sustainable tourism industry now and into the future.



Nelson Falls © Jess Bonde

# CHAIR'S REPORT

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It has been a year of evolution and change for Tourism Tasmania as it continued to build on its foundations for future success as a nation-leading marketing agency. The Authority matured key elements of its business, including its domestic segmentation, its approach to international marketing and the evolution of the state's tourism brand. It embarked on planning for the significant digital transformation it will need to undertake in the next few years to enable it to more easily communicate with its existing and future customers. At the same time, Tourism Tasmania more clearly articulated its role in leading and engaging with industry on policy which will shape the future of the tourism industry.

Significant progress was made in making it easier to get to Tasmania, with the introduction of a new direct flight between Adelaide and Hobart and a new direct flight between the Gold Coast and Hobart over the summer period. In the Access 2020 Strategy's third year of operation, an additional 183,928 passengers travelled either to or from the state when compared to the previous year. And while our efforts to improve access to Tasmania allow more visitors to visit our island, they also benefit Tasmanians by making it easier for them to travel for holiday and business, as well as more easily connect with family and friends. A successful visitor economy is one that provides benefits for visitors and Tasmanians alike, and Tourism Tasmania aims to do both through its work program.

There is much to be excited about as the government and industry work together to encourage our visitors to invest more in our communities, enriching them socially and economically. Our research and insights tell us that while total visitors increased by 2 per cent in the year ending June 2018, visitor expenditure increased by 6 per cent and the total number of nights spent by holiday visitors to Tasmania was up by 11 per cent. Our visitors are spending more and staying longer and we certainly hope to build on this trend in the coming year.



**James Cretan**  
Chair, Tourism Tasmania

Tourism Tasmania is acutely aware of its responsibility within the broader visitor economy to strike the right balance between increased visitor growth and enjoyment of our island by those who call it home. The Authority is playing its part by ensuring its marketing programs target travellers who will love and treasure our state. Through our role in Chairing the T21 – Visitor Economy Strategy Steering Committee, work began during the year on a new Yield and Dispersal Action Plan which will guide our planning for the visitor economy in the future.

I congratulate the industry on its efforts to lead innovative and fresh thinking on the future development of visitor and community infrastructure and experiences. It is this type of innovation and engagement that will keep Tasmania competitive with other destinations for many years to come. I also want to commend the industry on continuing to invest in product and experiences our visitors connect with. Without this, our job as a demand generator would be made much harder.

Finally, I'd like to thank the Premier and Minister for Tourism, Will Hodgman, for his continuing support of our efforts to position Tasmania as a world class destination. Thank you also to my fellow board directors who continue to provide strong governance and oversight of the Authority.

I'd also like to extend my thanks to CEO, John Fitzgerald, and his executive team for their continued leadership during a time of significant change. I look forward to continuing to work with what I believe is Australia's best destination marketing team to extract the most value from our visitor economy, to help improve the lives of all Tasmanians.

# CHIEF EXECUTIVE OFFICER'S REPORT

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Tasmania is a great place to live and a wonderful place to visit. The state has caught the world's attention with record visitation from around Australia and the globe.

Our economy has shared in this success, with tourism contributing around \$3.03 billion to gross state product and supporting around 38,000 jobs or 15.6 per cent of total employment across Tasmania.

Tasmania's enduring partnership between government and industry through T21 – Tasmanian Visitor Economy Strategy, is the envy of other jurisdictions and places visitation at the core of Tasmania's economic agenda.

The Tourism Tasmania team has been working hard this year to ensure it generates demand through its marketing program and leads Tasmania's tourism brand for the benefit of the visitor economy.

They have worked tirelessly to share Tasmania's story and connect with the travellers who understand what we have to offer, are looking for deeper connections and want to share our way of life.

This year, we delivered two consumer focused domestic campaigns under our Go Behind the Scenery creative concept which included an integrated approach to delivering brand-aligned content through paid media channels, social media, conversion and trade partnerships, public relations, advocacy and event participation providing maximum impact in the marketplace.

Each campaign was successful in connecting consumers with our brand and provided authentic and unique stories of Tasmania and its people.

Our global approach to marketing the state saw the implementation of our new International Market Approach which introduced an innovative partnership with Tourism Australia in Continental Europe and North America and new representatives and fresh ideas in South East Asia, Hong Kong and China.

Tourism Tasmania also undertook its first international television campaign in Tasmania's fourth largest inbound market, the United Kingdom. Partnering with Flight Centre UK, the campaign aimed to increase destination awareness of Tasmania and promote the state as a premium travel destination.

As an island state, we are keenly aware that visitor growth is tied to our visitor's capacity to access the island by air and sea. That is why, in addition to advocating for new or expanded services, we undertook cooperative marketing campaigns with our access and conversion partners that improved seasonal demand and strengthened existing air and sea routes.

Pleasingly this year we saw the addition of two new direct air services between Hobart and the Gold Coast and Hobart and Adelaide, which has opened up new markets and provided more travel options to Tasmanians.

In December 2017, the Tasmanian Government announced it will order two new purpose-built vessels to replace the current Spirit of Tasmania fleet. The ferries not only play a significant role in achieving visitation growth to our island, they also have an important role in helping to disperse those visitors across the state. Tourism Tasmania is committed to working closely with the TT-Line over the upcoming period to plan for the increased numbers of travellers the new ferries will bring when sailings are expected to commence 2021.

We recognise that generating demand for travel to Tasmania is not our only role and that it is necessary to align demand with tourism supply. That is why we continue to play our part in leading and influencing the future shape of sustainable tourism in the state and achieving the government and industry's T21 goals.



**John Fitzgerald**  
Chief Executive Officer  
Tourism Tasmania

## OUR BOARD OF DIRECTORS 2017-18



**JAMES CRETAN**  
BMed Sci, MBBS, FAICD

James is the chair of the Tourism Tasmania Board of Directors and a member of the Premier's Visitor Economy Advisory Council. He oversees the agency's strategic direction and plays a significant role in communication with government and industry. James is an executive director of Kriticos Nominees, a family company that owns and operates Cradle Mountain Wilderness Village, Swansea Beach Chalets, Shoreline Hotel and Tasmanian Collection Service. He is a director and chair of the Plastic Fabrications Group, a manufacturer and supplier of a wide range of plastic and related products to the aquaculture and marine industry and is a shareholder of Intuit Technologies, Tasmania's largest private ICT company. He was a director of TAFE Tasmania from 2004 and chair from January 2006 to May 2008 before becoming chair of the Tasmanian Skills Institute from 2008 to 2013. James is a Fellow of the Australian Institute of Company Directors.



**BRETT TOROSI**

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



**JOHN FITZGERALD**  
BA GAICD

John is chief executive officer of Tourism Tasmania, joining the organisation in January 2013. He has an extensive career in senior executive management positions in the tourism sector in Australia, having held positions at national, state/territory and regional levels over the past 18 years after a decade in the thoroughbred racing industry. Previous to his appointment at Tourism Tasmania, John was CEO at Tourism NT following senior appointments in his native Queensland, including as CEO of Tourism Sunshine Coast. John's experience and contribution in the sector has extended to numerous board memberships and directorships including currently as chair of the T21 Steering Committee, overseeing Tasmania's visitor economy strategy implementation and also as a director of Business Events Tasmania. His previous director experience includes the Darwin Waterfront Corporation, the Queensland Tourism Industry Council and chairing the national Indigenous Tourism Working Group. John is a graduate of the Australian Institute of Company Directors.

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



**MICHELLE COX**  
**ADAppSc, MAICD**

Michelle is the executive director, mergers and acquisitions for marketing communications agency group Bastion Collective. She has over twenty years of leadership experience and a demonstrated track record in growing returns across Australia, Asia Pacific and global markets. She has multi-national experience in marketing; communications; travel and tourism; and acquisitions. Previous appointments include managing director, Asia Pacific for STA travel and general manager marketing for the APT Group. Michelle has held executive and board appointments including executive director, Bastion Collective Global Board; chair of the Australian Tourism Export Council, Northern Territory; deputy chair, Central Australian Tourism Industry Association and director of Asia Pacific, STA Global Leadership board. Michelle has completed the Australian Institute of Company Directors course.



**REBECCA KING**  
**MAICD**

Rebecca is a multi-award winning marketing consultant who has worked in small business, state government, the airline industry and media. She is currently a director of online marketing consultancy Kingthing Marketing and is a leader in digital marketing in the tourism industry nationally. She worked as the marketing manager of Tamar River Cruises, when the company won nine awards including Tasmanian Tourism Awards and the Telstra Business Award for Innovation. Rebecca won the 2006 Telstra Tasmanian Corporate Business Woman of the Year. In 2014, she was awarded the state and national Tourism Award for Education and Training. Kingthing Marketing was a finalist in the prestigious Telstra Business Awards and won a Tasmanian Employer of Choice Award. She is a non-executive director on the Tasmanian Chamber of Commerce and Industry board and has also completed the Australian Institute of Company Directors course.



**IAN RANKINE**  
**GAICD**

Ian has enjoyed an extensive career spanning over 40 years in the Australian and Tasmanian tourism industry. As chief executive of Innkeepers Tasmania, Ian oversees the strategic business planning and day to day operation of the organisation. He has a comprehensive understanding of all facets of the tourism industry ranging from the supply side issues of small to medium size businesses to the market driven demand challenges facing Tasmania. Ian is a former board member and chair of Tasmania's South Regional Tourism Association (Totally South) and currently a board member of Tourism Industry Council of Tasmania (TICT). He has been acknowledged with a number of industry awards recognising his lengthy and dedicated commitment to Tasmania's tourism industry. Ian is a graduate of the Australian Institute of Company Directors.



**KATE VALE**  
**BBus**

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



TO GET LOST AND TO BE FOUND.

## VISITORS TO TASMANIA

Tourism Tasmania gathers data on visitation to Tasmania through the Tasmanian Visitor Survey, the National Visitor Survey and the International Visitor Survey. These instruments provide insights into Tasmania's visitors and measure the state's progress against the goals in T21 – The Tasmanian Visitor Economy Strategy. Tourism Tasmania's contribution to the T21 goals is to increase the number of leisure visitors (holiday and visiting friends and relatives) to the state.

### ALL VISITORS

T21 MEASURE	12 MONTHS TO JUNE 2017	12 MONTHS TO JUNE 2018	% CHANGE
Total visitors	1,269,600	1,300,000	2
Expenditure (million)	\$2,264	\$2,405	6

### LEISURE VISITORS

MEASURE	12 MONTHS TO JUNE 2017	12 MONTHS TO JUNE 2018	% CHANGE
Leisure visitors	966,200	979,900	1
Leisure expenditure (million)	\$1,868	\$1,979	5

**Note:** International leisure visitation and international leisure expenditure were not reported in 2017-18 by Tourism Research Australia due to an issue with incoming passenger card data.

### MARKET SHARE OF ALL VISITORS

MARKET	12 MONTHS TO JUNE 2017	12 MONTHS TO JUNE 2018	% CHANGE
Domestic	83%	81%	2
International	17%	19%	2

Source: Tasmanian Visitor Survey

## OUR CUSTOMERS



Tourism Tasmania's marketing activities have been targeting a segment of the Australian travelling public that desires learning, discovery and experience. This segment known as 'Life Long Learners' represents around 14 per cent of the travelling Australian public and has been a key focus for the Authority over the past six years.

Our research now indicates that around 49 per cent of Life Long Learners have already visited Tasmania and the segment has started to show some signs of fatigue.

To continue the momentum in visitor growth for Tasmania, the Tourism Tasmania board endorsed a new approach to market segmentation that provides opportunities to target a broader section of travelling public.

Work commenced in 2017-18 to develop a new market segment approach that will be communicated to key stakeholders in late 2018. The new segments represent 33 per cent of the Australian travelling public and provide a renewed focus on meeting the travel needs of visitors.

Both segments centre on enrichment through travel, either through connection with travel companions, nature and locals or through the acquisition of knowledge and experience of culture.

In international markets, Tourism Tasmania aligns its program with Tourism Australia through targeting High Value Travellers. This market travels long-haul on a regular basis; are driven by food and wine, aquatic, coastal, nature and wildlife experiences when choosing a holiday destination; are considering or intending to visit Australia and have a higher than average trip expenditure and length of stay.

Tasmania traditionally attracts visitors from the US, China, Hong Kong and the UK, with over 50 per cent of the international visitors to Tasmania generated from these regions. These markets have highly mobile populations providing opportunities for Tasmania to expand the High Value Traveller market.

# SUMMARY OF MAJOR ACTIVITIES

YOUR CURIOUS IS HUNGRY.

- The *GBTS X - Stories Told from the Inside Out* campaign in spring 2017 resulted in over 330,000 visitors to the website and in excess of 48,000 video views.
- Early results from the *GBTS XI – Feed Your Curious* campaign reveal a 53 per cent increase in site visitation with in excess of 80 per cent of site traffic from mobile devices.
- The second iteration of the TassieStyle summer advocacy campaign received more than 56,000 entries with paid media reaching 1.8 million users online.
- Over one million people were exposed to Tasmania's media first *Feed Your Curious* pop-up book at prominent locations in Melbourne and Sydney including the Qantas departure lounge, shopping centres and office towers.
- Worked with sporting, cultural and special interest events to promote the state as a desirable visitor destination.
- Promoted Tasmania at the Hawthorn Football Club's Tasmania Game of the Year with on-ground signage, promotional activities and the screening of the *Feed Your Curious* campaign video within the ground. The match at the Melbourne Cricket Ground was broadcast to an audience of around 382,000.
- *Love Tassie*, a consumer focused campaign designed to boost autumn and winter travel to Tasmania from South East Asia incorporated partnerships with eight travel agents across Singapore and Malaysia, media events and a social media and digital marketing campaign designed to drive traffic to Tourism Tasmania's website and trade partners.
- Partnered with online travel agent Ctrip to deliver a targeted online consumer marketing campaign in China.
- Over 360 travel agents completed the online training modules offered through Tourism Tasmania's Tassie Specialist Program.
- The inaugural TasTalk conference was held in late June 2018 with a series of business to business workshops, functions and famil programs across the state. The conference was attended by 120 travel sellers and over 40 Tasmanian tourism companies.
- The Talkabout Tasmania Roadshow took 19 local tourism operators on the road to provide face to face training and product updates to 300 travel sellers in Melbourne, Sydney and Brisbane.
- Worked with Tourism Australia's Signature Experience Program to promote 16 of Tasmania's leading experiences in domestic and international markets.
- Worked with Tourism Australia to train and educate travel agents across 15 key international markets in the Aussie Specialist Program.
- Conducted a review of the Tasmanian Visitor Survey providing recommendations for its delivery beyond the completion of the current contract in December 2018.
- Partnered with Flight Centre UK to launch Tourism Tasmania's first TV campaign globally, to drive greater visitation of UK visitors to Tasmania. The campaign included a 30 second feature that ran during prime time on the Sky TV network reaching around 12 million viewers.
- Delivered more than 40 programs throughout the year with travel and airline partners in Australia and around the world.
- Worked with global retail and wholesale travel company Helloworld to hold its annual conference in Hobart for 550 of their top travel sellers.
- Partnered with clothing label, Witchery to showcase Tasmanian imagery and destination content in their autumn/winter campaign.
- This year, Tourism Tasmania hosted over 100 media visits from domestic and international media or influencers that generated articles that supported our brand messaging or aligned with our marketing campaigns
- Welcomed additional airline capacity totalling 183,928 extra seats to or from Tasmania and new direct flights from Hobart to the Gold Coast and Adelaide.
- Hosted an exclusive media event at Alain Passard's three Michelin star restaurant Arpege in Paris featuring Tasmanian food and wine and attended by 15 top travel, food and wine journalists.

# Feed Your Curious



80-100 CONVICTS  
GOVERNMENT HOUSE at

DESIGNED TO INSTIL A  
and DETER CRIM

RE-O

1400 (MILES) 50,000  
FRANCIS GREENWAY.

1820 — 1830 — 1840

1841-43 INQUIRY into FEMALE CONVICT DISCIPLINE  
1841-53: PROBATION SYSTEM ESTABLISHED  
1840 TRANSPORTATION to NSW ABOLISHED

1846-47 INVESTIGATION into THE PROBATION

THESE  
the

THE FACTORY WAS a  
NOTABLE TEXTILE CONVIC  
MANUFACTORY AND CONVICTS  
CARDERS AND

PORT ARTHUR is  
the FIRST





## LEAD AND ACTIVATE THE TASMANIAN TOURISM BRAND

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**A strong and identifiable Tasmanian tourism brand is crucial to the success of Tourism Tasmania’s marketing effort and the state’s continued strong tourism performance.**

It has been a priority of Tourism Tasmania to regularly check the ‘health’ of the tourism brand to ensure it remains relevant in a competitive marketplace.

This year, the team commenced a review of the brand and worked closely with the state government’s Tasmania Brand Project to ensure the tourism brand aligns with the overall Tasmanian brand.

In the coming year, work will be completed to evolve the tourism brand including refining the narrative, communicating it to stakeholders and developing its creative expression for use in Tourism Tasmania’s tourism marketing program.

## OUR MARKETING CAMPAIGNS

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To raise awareness of the state and encourage people to book holidays in Tasmania, Tourism Tasmania has undertaken two major brand campaigns in domestic markets.

The Go Behind the Scenery (GBTS) creative concept was developed in March 2013 and has seen campaign iterations delivered biannually. Primarily driven by paid media, they have been successful in connecting consumers with our brand and providing authentic and unique stories of Tasmania and its people.

In 2017-18, Tourism Tasmania implemented two domestic marketing campaigns under the GBTS creative concept. *GBTS X - Stories Told from the Inside Out* was launched in spring 2017 and was a video-based approach featuring stories told by local Tasmanians intended to generate an emotional engagement with consumers.

It featured Tasmanian food and wine content for cinema, digital and outdoor media channels with the campaign's call to action driving consumers to the Go Behind the Scenery microsite.

The *GBTS XI - Feed Your Curious* campaign was in market during autumn, winter and spring 2018. It was a longer-tail program of marketing activity delivering a two-tiered approach that focused on both brand and conversion and specifically targeted audiences who travel regularly and prefer less crowded and more interesting places.

The refreshed creative treatment had a surreal edge, engaging consumers and sparking their curiosity. It invited potential visitors to go on a journey of discovery with the hero (Matilda Brown) as she embarked on an adventure around Tasmania.

The campaign was delivered through paid media on multiple high reaching channels including television, digital, cinema and outdoor advertising; social media engagement; event and conversion partnerships; PR and earned media; direct marketing; and an extensive content strategy. To support this campaign, a new microsite was built with a sophisticated content strategy mapped to the customer journey and integrated travel partner promotions.

Tourism Tasmania's global marketing strategy was also cemented this year through the implementation of the new International Market Approach. The refreshed approach ensures that resources are directed to the markets that deliver the best return for the state.

A tender process for in-market representatives was undertaken with new contracts in place in key eastern and western markets. An expanded mix of activities managed by international representatives was introduced and the head office team realigned to better support and coordinate marketing and industry initiatives globally.

Tourism Tasmania undertook a \$1.1 million international television campaign in Tasmania's fourth largest inbound market, the United Kingdom. The campaign aimed to increase destination awareness of Tasmania and our positioning as a premium travel destination within Australia. The key conversion partner on the campaign was Flight Centre UK with over 80 'High Street' retail outlets uniquely positioned to convert interest into sales.

Results from the campaign period show Tasmania was one of Flight Centre's top journey successes, with the campaign generating higher passenger numbers and room night bookings than previous periods and confirms a genuine interest in Tasmania as a desirable holiday destination with long-haul travellers.

Additional marketing programs were also delivered in our key international markets of South East Asia, China, France, Germany, USA and Canada.

## CONTENT

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Tourism Tasmania led and activated the Tasmanian tourism brand through an extensive content strategy that embodied the state's brand values. It included prioritising the design and production of content that best interpreted the brand and sharing that content on channels to reach the right consumers. The teams introduced a global approach to the development, acquisition and distribution of content and adopted an 'always-on' marketing program, targeting customers on the communications channels they prefer.

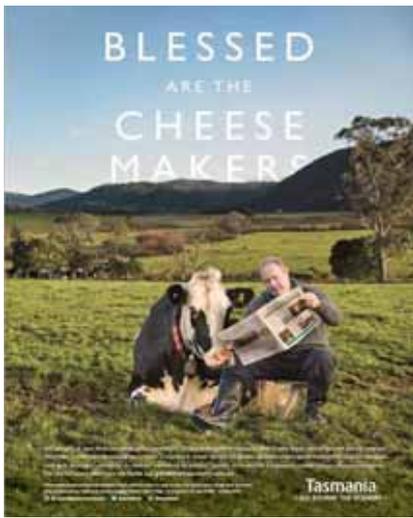
Work also started on making it easier for our partners and consumers to share brand-aligned content. This work will continue in 2018-19.

Tourism Tasmania also continued to provide high quality, brand aligned photography and videography content to tourism industry operators, partners, trade and media through its online visual library for the purpose of the promotion of tourism in Tasmania.

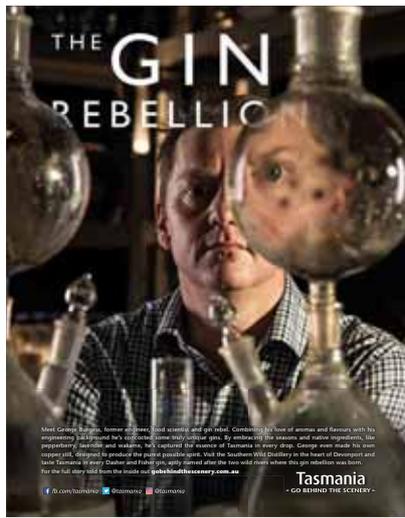
Content to support cooperative marketing activities with travel conversion partners was also a priority, with content provided for companies including TT-Line, AFL Travel, Experience Oz, Qantas, Wotif, Infinity, Expedia and Trip Advisor to help build emotional connection with Tasmania.

### SUPPORTING PARTNERSHIPS THROUGH CONTENT:

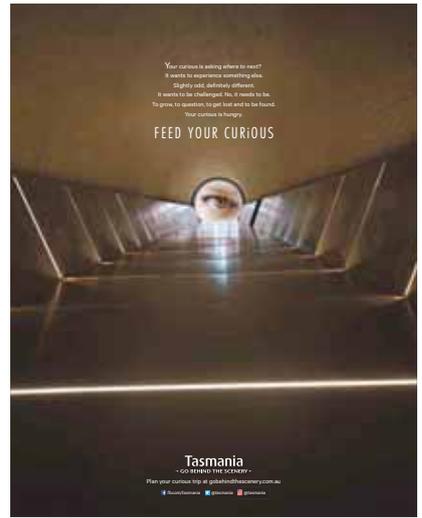
- Tourism Tasmania supported Wine Tasmania through sponsorship of Vin Diemen in August 2017 that showcased Tasmanian wine and food in Melbourne and Sydney.
- Tourism Tasmania collaborated with Trout Guides and Lodges Tasmania to document insights and identify channels for targeting customers who travel to the state for fishing.



GBTS X



GBTS X



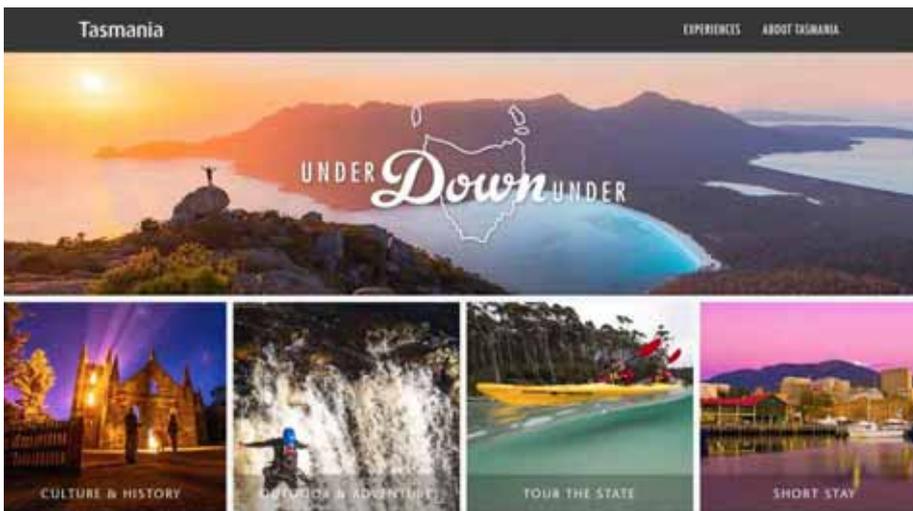
GBTS XI - FEED YOUR CURIOUS



GBTS XI - FEED YOUR CURIOUS



GBTS XI - FEED YOUR CURIOUS Website



Under Down under traveltasmania.co.uk site



Trip Advisor partnership - Germany



French article on Tasmania

## EXPLORE TASMANIA, THE LAND UNDER DOWN UNDER.

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**VICTORIA & TASMANIA HIGHLIGHTS** SAVE \$422.00

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 REF: 5075602

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Vogue social media

\* Prices & taxes are correct as at 22 February 2018 & are subject to change. Holiday & hotel prices are per person based on 2 people sharing. Flights are economy class & are subject to availability on selected travel dates. All flights depart London & include prepaid taxes & fuel charges. Seasonal surcharges may apply depending on date of travel. Travel restrictions & conditions apply. Please ask a Flight Centre consultant for further details or a personalised quote with your desired travel dates and departure airport. For full terms & conditions see flightcentre.co.uk.

A video to promote the World Fly Fishing Championships being held in Tasmania in 2019 was also produced.

- Tourism Tasmania supported Blooming Tasmania in developing a refreshed brand and marketing approach for its events calendar, in particular the Melbourne International Flower and Garden Show in March 2018.

Tourism Tasmania's content team supported the Authority's global approach to content creation and distribution, by collaborating with international marketing managers and travel trade partners to develop content to amplify the state's profile in priority markets, building brand awareness and interest. Tourism Tasmania did this through:

- Creating online content for Arrival Guides – a resource for over 100 travel networks translated into German, French and Chinese.
- Creating content for international campaigns for Flight Centre UK, Adventure Travel Trade Association and Tourism Australia's in-market international partner Qantas.
- Content direction for the Tourism Australia Youth Campaign 'Aussie News Today'.
- Content support for Aussie Specialist Program newsletters and web assets.

## PARTNERSHIPS

Tourism Tasmania strategically partnered with brands, companies, events and travel trade to extend Tasmania's tourism brand and market reach and encourage travel bookings to the state. Cooperative marketing activities were undertaken with our partners to extend tourism messages to their customer base and to connect with consumers in new and interesting ways.

### EVENT LEVERAGING

Tasmania's unique events provided Tourism Tasmania with an opportunity to reinforce the state's destination appeal and presented a reason for people to travel to the state.

The Authority partnered with event organisers on marketing initiatives that included targeting interstate and international visitation, content generation, media visits and PR.

Images from events also contributed key visuals used in Tourism Tasmania's marketing and communications programs and the quirky brand attributes of many events generated media attention for Tasmania.

Tasmania's sponsorship of the Hawthorn Football Club allowed Tourism Tasmania to leverage significant promotional opportunities for the state through the club's websites, social media communications, club member newsletters and at events around the annual Tasmania Game of the Year at the Melbourne Cricket Ground.

Events which were collaboratively leveraged in 2017-18 included: Rolex Sydney Hobart Yacht Race, Taste of Tasmania,

Festivale, Dark Mofo, Festival of Voices, Huon Valley Mid-Winter Fest, National Penny Farthing Championship, Hobart International Tennis Tournament and Tasmanian Whisky Week.

### BRAND PARTNERSHIPS

Marketing partnerships were developed with brand-aligned third parties to deliver outcomes for both partners.

Tourism Tasmania's brand marketing partners were determined by their suitability to align with the tourism brand, shared customer values, aligned target markets and the marketing leverage opportunities offered to Tourism Tasmania through the partner's marketing channels.

This year Tourism Tasmania partnered with two iconic Australian fashion brands Witchery and Country Road who used Tasmania's unique landscapes as backdrops to their autumn/winter fashion campaigns.

The Witchery partnership provided an opportunity to focus on the north and north east region of the state with Cressy, the Western Tiers and the East Coast selected for their campaign shoot.

Tourism Tasmania also partnered with Country Road to capture Hobart's working waterfront in their 2018 autumn/winter campaign. Country Road were seeking an urban working waterfront location and Hobart was the perfect match.

Imagery from both campaigns was used in digital marketing, printed catalogues and displayed in stores across the country.

These brand partnerships were an innovative way to show Tasmania as a vibrant destination with a modern and contemporary edge, reinforcing the state's winter appeal in new and interesting ways and connecting with consumers during their everyday life.

### TRAVEL TRADE ENGAGEMENT

Tourism Tasmania worked closely with frontline travel sellers and participated in travel trade events nationally and internationally.

Tourism Tasmania established the Tassie Specialist program in 2012 to increase knowledge of Tasmania through training and development opportunities and to provide travel trade sellers with the confidence to sell Tasmania as a holiday destination to their clients.

In 2017-18, 360 new travel agents completed the program and qualified as Tassie Specialists.

Tourism Tasmania hosted the inaugural TasTalk 2018 which was presented in partnership with the Australian Tourism Export Council (ATEC) to provide an important business to business event for Tasmanian tourism operators.

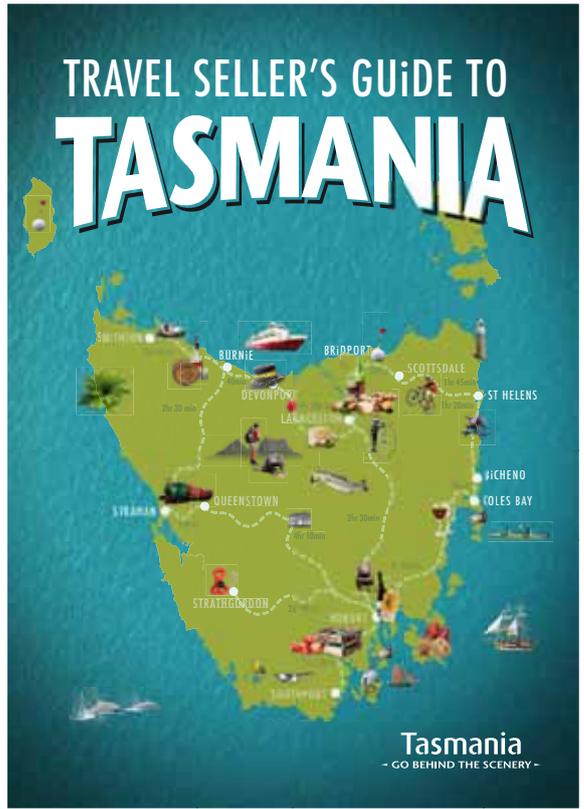
Around 40 Tasmanian tourism industry representatives had the opportunity to meet with 120 trade delegates including ATEC member buyers, inbound tour operators, wholesalers,



Tourism Tasmania's Booth at the Frontline Travel Seller's Forum



Festival of Voices



Frontline Travel Seller's Guide to Tasmania



Huon Valley Mid-Winter Festival



Witchery



Country Road

online travel agents and frontline travel sellers to build business relationships and promote their Tasmanian tourism products.

Both the buyers and Tassie Specialists took part in one of 10 pre or post familiarisation itineraries that were designed to showcase a specific region and highlight Tasmania's exceptional winter experiences and tourism products.

Tourism Tasmania's international market representatives attended multiple trade events around the globe, including Virtuoso Travel Week (USA), Australia Marketplace (USA) Helloworld USA Symposium (USA) and Adventure Travel Trade Association – Elevate (Canada), ITB (Berlin), Great China Travel Mission (Tourism Australia), International Media Market Place Asia (Singapore), MATTA Fair (Kuala Lumpur) NATAS Fair (Singapore) and MITM Fair (Penang)

The Tourism Tasmania team also joined 25 Tasmanian operators at Australia's largest annual travel and tourism business-to-business event, Australian Tourism Exchange in Adelaide in April 2018. The event focused on developing opportunities from all key global source markets travelling to Australia and has continued to generate widespread interest in the state from international travel buyers wanting to know about Tasmania and how to include it in their programs.

In 2017-18, Tourism Tasmania partnered with retail travel trade on domestic conversion marketing activity including programs with Flight Centre, Helloworld, Expedia, 7Travel and TasVacations.

Key international travel trade collaborations were implemented in Europe, North America, South East Asia and China and include partnerships with Flight Centre UK, Exclusiv Reisen, Explorer Fernreisen, Travel Essence, Travel Consortia group – Virtuoso network, Goway, Helloworld, Ctrip, Charming Holidays, EGL Tours, Miramar Travel, Travel Expert, Westminster Travel, Wincastle Travel, World of Travel, GZL (Guangzhou) & China Travel Service, Singapore Airlines and SIA Holidays.

## TOURISM AUSTRALIA

Tourism Tasmania's partnership with Tourism Australia is a strong and vital part of the state's international tourism marketing efforts.

Tourism Tasmania participated and invested in Tourism Australia's various global marketing programs and regularly engaged across a broad range of areas including social media, visiting journalist program, access, strategic partnerships, content, research and international marketing.

Tourism Tasmania also implemented an innovative embedded representation model within Tourism Australia in Continental Europe and North America. This new initiative sees a staff member employed within the Tourism Australia framework in the USA and Germany to work solely on representing Tasmania within the organisation and the market.

## ADVOCACY

The experiences of others, told through their shared stories carry considerable influence in today's connected world and can reinforce our own marketing messages.

Tourism Tasmania promoted and assisted third party advocates or influencers to share their stories, enabling wider distribution of Tasmanian content to potential customers.

Advocates for Tasmania included our visitors, local residents, traditional media, online influencers and social media platforms. By engaging directly with advocates we listened, amplified and influenced the online narratives that reinforced Tasmania's brand and increased the reach of our messages.

## VISITING INFLUENCERS PROGRAM AND PUBLIC RELATIONS

Tourism Tasmania hosted and supported journalists, social media advocates and independent influencers in publishing destination content on Tasmania by supporting visits to the state. This increased their knowledge of the state and provided a first-hand experience of our tourism offerings.

This year, Tourism Tasmania hosted over 100 media visits from domestic and international media or influencers that generated articles that supported our brand messaging or aligned with our marketing campaigns.

The program resulted in media exposure for the state's tourism brand in domestic publications including GQ, Qantas Spirit of Australia, Fairfax Traveller, News Limited Escape, Australian Traveller and The Weekend Australian. Online highlights included; Huffington Post, Vogue, Broadsheet, Timeout, Qantas Travel Insider, 7Mate, Escape Magazine, PinkBike and The Guardian.

Promotion of Tasmania in international media included in Le Figaro, Cuisine & Vins, A/R Magazine, Maison Cote Sud, Telematin 2 (France's top morning TV program), Frankfurter Allgemeine Sonntagszeitung, Travel and Leisure, Wall St Journal, Forbes, Singapore Tatler, Conde Nast, National Geographic Beijing, Elle Men Shanghai, Lonely Planet Beijing, Vogue China, Silverkris, SC Global, Prestige Online and many more.

This year, Tourism Tasmania also worked with television production companies from the Sydney Weekender, Getaway and The Living Room to shoot content on the East Coast, Derwent Valley, Hobart, Meander Valley, Strahan, Queenstown and the Tasman Peninsula.

## SOCIAL MEDIA ADVOCACY

Tourism Tasmania's global social media strategy aimed to maximise engagement, meaningful conversations and positive sentiment through a constant presence on key platforms like Facebook, Instagram, Twitter, Weibo and WeChat.



Tas Talk 2016 Gala Dinner



Delicious Magazine, Winter Activation Event



Tas Talk 2018 Family



ATE 2018 - Adelaide



Tas Talk 2018 Trade Event



ATE 2018 - Adelaide

Engagement with followers and advocates resulted in the delivery of effective, relevant and engaging content about Tasmania, inspiring them to share Tasmania with their own social media networks.

Tourism Tasmania also worked closely with Tourism Australia's head office and in-market representatives to obtain a strong share of voice for Tasmania across Tourism Australia's global social media platforms.

Social media was also integrated into our ongoing marketing campaigns to harness a contemporary form of destination advocacy, connecting potential visitors from all over the world with stories about Tasmania and keeping the destination on their travel radar.

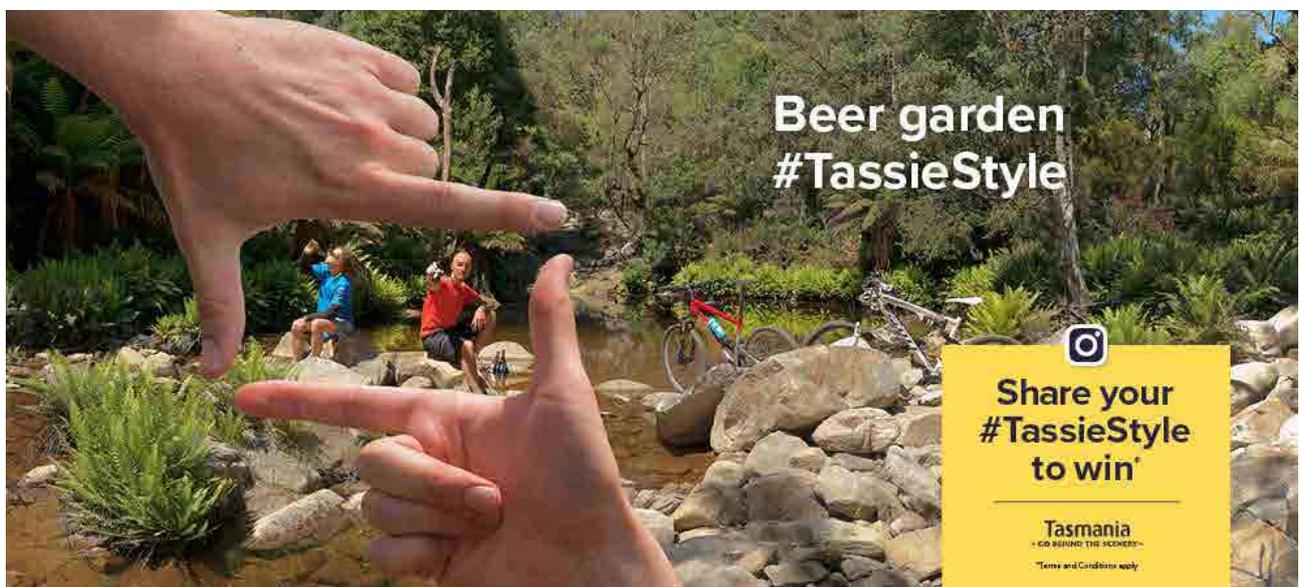
## TASSIESTYLE

During the 2017-18 summer season, Tourism Tasmania launched the second iteration of its #TassieStyle summer engagement program. It benefited from the event-filled summer period and incentivised Instagram users to share distinctly Tasmanian photos or videos for a chance to win Tasmanian travel voucher prizes.

The campaign engaged partners to promote #TassieStyle at events and gateways which generated advocacy from locals, the tourism industry and the seasonal influx of visitors to the state.

The campaign received more than 56,000 entries over the 17 week campaign, surpassing the 46,000 target set for the competition. The paid media program reached a total of 1.8 million unique users and drove more than 11.6 million impressions.

Although the competition has concluded, visitors, locals and industry continue to share their distinctly Tasmanian experiences to the #TassieStyle hashtag, with almost 150,000 images and videos now tagged since the hashtag's inception in December 2016.



CAN ART BEND YOUR MIND?

# MAKING IT EASIER TO GET TO TASMANIA

Growing access and making it easier to get to Tasmania is a key pillar of the T21 – The Tasmania Visitor Economy Strategy with visitor growth to the state tied to access capacity.

The Tasmanian Government's Access 2020 – Five Year Air and Sea Access Strategy 2015 – 2020 aims to increase domestic capacity and frequency from air and sea access providers, improve seasonal demand, maximise low fare availability and increase international visitation.

The strategy indicates that 140,000 new seats are needed annually to meet the T21 goal of 1.5 million visitors by 2020. In 2017-18, air capacity to Tasmania increased by 157,133 additional seats on the key routes of Melbourne, Sydney, Brisbane and Adelaide.

The increased seat capacity is a result of the commencement of direct flights between Hobart and the Gold Coast and Hobart and Adelaide, a longer peak season, more peak time services and upgrades to larger aircraft with greater seating capacity.



Direct flights to Adelaide



Hobart International Airport runway extension



Celebrity Solstice and the Noordam in Hobart Port



Courtesy Spirit of Tasmania

As well as improving domestic access to Tasmania, the Access 2020 strategy aims to attract direct international flights to the state as well as increasing international visitation.

The recently completed runway extension at Hobart Airport, new hotel infrastructure and record growth in international visitor arrivals to the state provide a good economic basis for limited direct international air services from selected source markets.

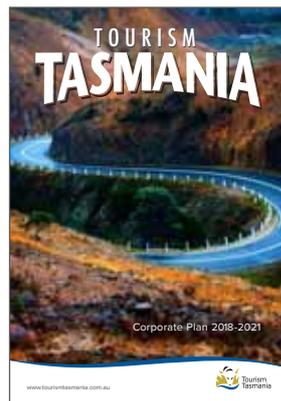
Active discussions with a number of airlines to support a business case for an international direct air service to the state are ongoing and remain a priority.

Code share agreements have improved connectivity to Tasmania by allowing passengers to book one ticket and transfer luggage directly to their Tasmanian airport destination. Tasmania has code share agreements in place with all major airline partners of the Qantas Group and Virgin Australia.

These agreements have assisted visitation growth from our key markets of Hong Kong, Singapore, USA, UK and New Zealand. During the year, Tasmania was included on new code share agreements with Air Canada and Hainan Airlines for trans-Tasman flights through their partner Virgin Australia.

Tourism Tasmania regularly invests in cooperative marketing activities with air and sea access partners to build market demand, attract visitors to the state and support the Access 2020 and T21 goals.

In 2017-18, Tourism Tasmania participated in 10 domestic and international cooperative marketing campaigns across all of the Australian domestic airlines, the TT-Line and with Qantas in Singapore and Hong Kong.



These campaigns drove bookings and sales for seat and holiday packages, aligned with our brand marketing campaigns or promoted travel during low or shoulder seasons.

As an island, sea access to Tasmania is vitally important. In December 2017, the Tasmanian government announced it will order two new purpose built vessels to replace the current Spirit of Tasmania fleet by 2021.

In 2017-18, there were 125 port calls by cruise ships, approximately 342,000 cruise passenger and crew days were spent in the state contributing an estimated \$38.12 million in direct onshore expenditure, averaging \$140 daily spend per passenger.

Tourism Tasmania commenced a cruise market analysis and regional cruise ports review which included a consultation with stakeholders to examine Tasmania's cruise destinations, potential for economic contribution and opportunities to improve yield and dispersal of cruise ship passengers at a state and port level.

## GOVERNMENT COLLABORATION

Tourism Tasmania worked closely with other state government agencies to influence decision making and policy development for tourism in Tasmania ensuring it remains a strong and sustainable industry in the state.

It also continued to work with the Australian Government through Tourism Australia and Austrade to ensure that Tasmania is strongly represented through their programs.

As well as providing leadership as part of its role in the T21 strategy, Tourism Tasmania collaborated with other state government agencies providing specialised knowledge and tapping into tourism networks. This included work on projects with the Parks and Wildlife Service, Office of the Coordinator-General and Department of State Growth.

Tourism Tasmania also provided valuable assistance to other government agencies through its research program, providing market insights from the Tasmanian Visitor Survey and Tourism Information Monitor, to assist in the preparation of reports and studies for tourism-related projects.

## REGIONAL AND INDUSTRY ENGAGEMENT

During the year Tourism Tasmania engaged with regional and industry stakeholders by supporting a number of programs to build capability, capacity and community and to support the marketing of uniquely Tasmanian experiences.

Tourism Tasmania began work on a stakeholder engagement framework to guide its interactions with key partners and industry. The framework provides teams with a coordinated approach to engagement with its many and varied partners. During the year, Tourism Tasmania prioritised activity designed to update the industry on the Authority's activity and work program.

Tourism Tasmania held the first of a series of information sessions for industry in partnership with regional tourism organisations.

More than 130 people from all sectors of the industry attended the event in Hobart, hearing about Tourism Tasmania's activities and programs and how the industry can be involved. Information sessions were held around the state in Orford, Four Mile Creek, Launceston, Burnie, Strahan and Smithton. Around 350 industry representatives attended these sessions in total.

Tourism Tasmania also conducted wide-ranging engagement and consultation as part of its Tasmanian tourism brand evolution. One-on-one meetings with key stakeholders were held statewide including in regional Tasmania and were followed by a series of workshops.

Tourism Tasmania provided \$1.3 million in financial support to Tasmania's tourism industry organisations. This included grant funding for the operations of the four regional tourism organisations (RTOs), the Tasmanian Visitor Information Network, Hobart and Launceston visitor information centres; and to the Tourism Industry Council of Tasmania to support the delivery of the Tasmanian Tourism Awards, Tasmanian Tourism Conference and the Australian Tourism Accreditation Program.

Tourism Tasmania regularly provided guest speakers for industry forums and networking events hosted by the RTOs and TICT – outlining programs of interest to the industry and opportunities to work cooperatively.

Tourism Tasmania is a partner in the Australian Tourism Data Warehouse (ATDW) providing a valuable distribution channel for all Tasmanian tourism businesses. Tourism operators are able to list their product details for distribution to around 40 travel websites in Australia, including Tasmania's official consumer website [www.discovertasmania.com.au](http://www.discovertasmania.com.au).

Tourism Tasmania's industry newsletter, Tourism Talk, is widely circulated to tourism industry operators and stakeholders. During the year, it regularly featured news items from other government agencies on activities and programs relevant to the tourism industry such as grant programs, training opportunities and public safety or emergency response programs.

Tourism Tasmania info sessions – Launceston



Tourism Tasmania info sessions – Burnie





# BEING AN INSPIRING ENTERPRISE

Tourism Tasmania recognises that a strong, positive and proactive workforce is needed to continue to succeed and achieve its goals.

## PEOPLE AND WORKFORCE

Tourism Tasmania’s people and culture program is designed to deliver a supported approach to developing a high performance business culture within the organisation.

In 2017-18, the Authority’s values and behaviours were finalised with ongoing work progressed to embed them across the teams and support the goal of creating a values-led organisation.

Organisational realignment was undertaken to integrate and deliver enhanced collaboration with work commencing on the development of a high-performance framework to support innovation, creativity and accountability.

The better business team was restructured to provide a clear focus on the priorities of people and culture, internal operations and process improvement and finance and risk management.

There were 62 team members who were supported in training opportunities across the year to increase professional development and to better deliver the organisation’s strategic objectives.

## SYSTEMS, TECHNOLOGY AND INNOVATION

A priority of the organisation is to provide team members with the tools they need to succeed. This year the organisation reviewed its business processes and the technology required to enable a transition to a digitally-driven marketing agency. This work will inform *Curve*, a major transition program to be undertaken across 2018-2020.

Tourism Tasmania completed the three year roll-out of laptops for all team members which supports flexible work arrangements and the capacity to work collaboratively in the right places at the right times.

## CORPORATE GOVERNANCE AND RISK MANAGEMENT

Tourism Tasmania’s risk register was reviewed and updated with a focus on ensuring the highest standards of accountability and governance around strategic, operational and project risks which will enable the Authority to take supported creative risks.

# STATUTORY INFORMATION

## BOARD OF DIRECTORS – ATTENDANCE AT MEETINGS

Board of Directors Attendance 1 July 2018 to 30 June 2018

BOARD	CURRENT TERM	NUMBER OF BOARD MEETINGS (8 MTGS)
James Cretan (Chair)	12/08/17 - 11/08/2020 (2nd term)	8
Simon Carrant	Tenure expired 01/09/17	2
Michelle Cox	30/10/2014 - 14/9/2020 (2nd term)	7
John Fitzgerald (CEO)	15/01/2013 - 14/01/2021 (2nd term)	8
Rebecca King	15/09/2015 - 14/09/2019 (2nd term)	8
Ian Rankine	05/09/2017 - 05/09/2019 (1st term)	6
Brett Torossi	14/10/2015 - 13/10/2018 (3rd term)	8
Kate Vale	1/5/2017 - 28/03/2019 (2nd term)	7

## AUDIT, FINANCE AND RISK COMMITTEE (AFRC)

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

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

Regular attendees of the AFRC meetings are Tourism Tasmania's chief operating officer, better business manager, the appointed internal auditors, Tasmanian Audit Office and the signing officer.

In 2017-18, the AFRC met six times.

BOARD MEMBER		MEETINGS ATTENDED
Brett Torossi	Chair	6
Rebecca King	AFRC board director committee member	6
Nicholas Burrows ^	non-executive independent audit committee member	6

## OUR STAFF – NUMBERS

At 30 June 2018, Tourism Tasmania consisted of 37 full-time and 15 part-time, 9 fixed-term, one head of agency and one senior executive service. Of this there were 48 (76%) females and 15 (24%) males.

## RIGHT TO INFORMATION

Tourism Tasmania responds to requests for information in accordance with the *Right to Information Act 2009*. The Act allows members of the public the right to access information held by the government and its agencies, with the exception of information deemed by the Act to be exempt. In 2016-17 there was one request for information from Tourism Tasmania.

COULD YOU LOOK  
A DEVIL IN THE EYE?

## PUBLIC INTEREST DISCLOSURES ACT

The purpose of the Public Interest Disclosures Act 2002 (Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies. The Act provides protection to persons who make disclosures in accordance with the Act, and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken. The Authority is committed to the aims and objectives of the Act. It does not tolerate improper conduct or detrimental action by the Authority or members, officers or employees. The procedures for reporting disclosures are available at [www.tourismtasmania.com.au](http://www.tourismtasmania.com.au). The Authority has not received any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2018.

## TASMANIAN GOVERNMENT'S DISABILITY FRAMEWORK FOR ACTION

*Accessible Island: Tasmania's Disability Framework for Action 2018-2021* plays a critical role in guiding the Tasmanian Government's work for all Tasmanians with disability. Its vision is for a fully inclusive society that values and respects all people with disability as equal and contributing members of the community. Tourism Tasmania contributes to this framework by ensuring its websites are WCAG AA level accessibility compliant including accessible online forms and plain English guidelines and training is provided to web content authors.

## WORKPLACE HEALTH AND SAFETY

Tourism Tasmania actively manages workplace health and safety by identifying risks and addressing problems promptly. Activities undertaken during 2017-18.

ACTIVITY	NO.
Health and wellbeing initiatives	
• Annual flu vaccinations	30
• Managing Mental Health in the Workplace	44
Number of new incidents received	0
Number of new workers' compensation claims received	1
Employee assistance program – number of people attending	4
Fire wardens	4

## GOVERNMENT PROCUREMENT

Tourism Tasmania undertakes procurement in accordance with the mandatory requirements of the Treasurer's Instructions, including ensuring Tasmanian businesses are given every opportunity to compete for Authority business. Tourism Tasmania's policy is to support Tasmanian businesses whenever they offer best value for money for the government. The following details are provided in accordance with Treasury Instruction 1111 for all contracts awarded and procurement processes undertaken (excluding consultancies) during the 2017-18 financial year with values in excess of \$50,000.

SUMMARY OF PARTICIPATION BY LOCAL BUSINESSES	NO.
Total number of contracts awarded	6
Total number of contracts awarded to Tasmanian Businesses	2
Value of contracts awarded	\$3,906,911
Value of contracts awarded to Tasmanian businesses	\$567,585
Total number of tenders called and written quote processes run	6
Total number of bids and/or written quotations received	78
	<i>Note: 63 Submissions were made to Hong Kong Destination Representation Services Request for Tender TT 12312 advertised on a Hong Kong Employment website in addition to <a href="http://www.tenders.tas.gov.au">www.tenders.tas.gov.au</a></i>
Total number of bids and/or written quotations received from Tasmanian businesses	2

## CONTRACTS AND CONSULTANTS

The following tables provide detailed information on Tourism Tasmania's contracts and consultancies procured or awarded during 2017-18.

CONTRACTOR	LOCATION	DESCRIPTION	PERIOD	TOTAL VALUE
Huntington Communications Pte Ltd	Singapore	Destination representation services	1 Oct 2017 to 30 Sept 2022	\$1,080,000
Spirit of China Marketing Co. Ltd	China	Destination representation services	1 Oct 2017 to 30 Sept 2022	\$1,390,000
Pacific Aviation Marketing (HK) Ltd	Hong Kong	Destination representation services	9 Mar 2018 to 30 Sept 2022	\$266,125
Darklab Pty Ltd	Tasmania	Dark Mofo 2018 marketing agreement	1 Feb 2018 to 30 Sept 2018	\$500,000
Australian Tourism Data Warehouse	Queensland	Global tourism business listing platform	1 July 2018 to 30 June 2021	\$603,201
Tas Vacations Pty Ltd	Tasmania	Marketing partnership	1 July 2017 to 30 June 2018	\$67,585

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

Nil

**CONTRACTS AWARDED BECAUSE OF AN EXEMPTION TO TI 1114  
– DIRECT/LIMITED SUBMISSION SOURCING: GOODS AND SERVICES**

NAME OF SUPPLIER	DESCRIPTION OF CONTRACT	REASONS FOR APPROVAL	TOTAL VALUE
Australian Tourism Data Warehouse	Global tourism business listing platform utilised by Tasmanian businesses	Single supplier	\$603,201
Darklab Pty Ltd	Cooperative marketing agreement for Dark Mofo until June 2021	Single supplier of specialised event	\$500,000
Tas Vacations Pty Ltd	Marketing Partnership	Single local supplier of specialised services to auto clubs nationwide.	\$67,585

**CONTRACTS OR EXTENSIONS APPROVED IN ACCORDANCE WITH TI 1115**

Nil

**CONTRACTS AND CONFIDENTIALITY**

Contracts between the Tasmanian Government and any other party must not contain confidentiality provisions. However, a head of agency may approve, in accordance with Treasurer’s Instruction 1401 - Confidentiality of Government Contracts clause 4, the inclusion of a confidentiality provision in a contract entered into, negotiated or arranged by their agency. For further information, see on the Department of Treasury website *Confidentiality of Government Contracts*.

**TOURISM TASMANIA CONTRACTS WITH CONFIDENTIALITY PROVISIONS**

CONTRACT PARTNER	DATE OF APPROVAL	CONTRACT TYPE
Jetstar Airways Pty Ltd	4 July 2017 18 July 2017 19 December 2017	marketing agreement
Helloworld Travel Ltd	18 July 2017 21 August 2017 8 November 2017 22 May 2018	marketing agreement
Tiger Airways Australia Pty Ltd	21 August 2017	marketing agreement
Expedia Media Solutions	30 August 2017	marketing agreement
Flight Centre Travel Group	12 October 2017	marketing agreement
TripAdvisor	22 May 2018	marketing agreement



## LIST OF PUBLICATIONS

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### RESEARCH

Tasmanian Tourism Snapshot (Quarterly)

Fast Facts (Quarterly)

Tourism Info Monitor (Quarterly)

### CORPORATE

Tourism Tasmania Annual Report 2016-2017

Corporate Plan 2018-2021

Tourism Tasmania's International  
Market Approach

### NEWSLETTERS

Discover Tasmania newsletter

Tourism Talk newsletter

### WEBSITES

[www.discovertasmania.com.au](http://www.discovertasmania.com.au)

[www.gobehindthescenery.com.au](http://www.gobehindthescenery.com.au)

[www.tourismtasmania.com.au](http://www.tourismtasmania.com.au)

[www.tassietrade.com.au](http://www.tassietrade.com.au)

[www.discovertasmania.net.cn](http://www.discovertasmania.net.cn)

[www.discovertasmania.hk](http://www.discovertasmania.hk)

[www.visuals.tourismtasmania.com.au](http://www.visuals.tourismtasmania.com.au)

[www.t21.net.au](http://www.t21.net.au)

# FEED YOUR CURIOUS

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## CERTIFICATION OF FINANCIAL STATEMENTS

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The accompanying Financial Statements of Tourism Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and Part 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2018 and the financial position as at the end of the year.

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



John Fitzgerald  
CHIEF EXECUTIVE OFFICER  
17 September 2018



James Cretan  
CHAIR OF THE BOARD  
17 September 2018

# TOURISM TASMANIA

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 BUDGET \$'000	2018 ACTUAL \$'000	2017 ACTUAL \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue – recurrent	3.1	29,301	28,676	26,300
Sales of goods and services		...	3	...
Recoveries	3.2	400	683	639
<b>Total revenue and other income from transactions</b>		<b>29,701</b>	<b>29,362</b>	<b>26,939</b>
<b>Expenses from transactions</b>				
Employee benefits	4.1	5,972	6,653	5,731
Depreciation and amortisation	4.2	176	225	193
Supplies and consumables	4.3	5,527	3,929	3,808
Grants and subsidies	4.4	1,547	1,749	2,040
Advertising and promotion	4.5	16,587	17,053	15,035
Other expenses	4.6	68	169	117
<b>Total expenses from transactions</b>		<b>29,877</b>	<b>29,778</b>	<b>26,924</b>
<b>Net result from transactions (net operating balance)</b>		<b>(176)</b>	<b>(416)</b>	<b>15</b>
<b>Net result</b>		<b>(176)</b>	<b>(416)</b>	<b>15</b>
<b>Comprehensive result</b>		<b>(176)</b>	<b>(416)</b>	<b>15</b>

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

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

# TOURISM TASMANIA

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	NOTES	2018 BUDGET \$'000	2018 ACTUAL \$'000	2017 ACTUAL \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	8.1	74	(425)	422
Receivables	5.1	219	627	261
<i>Non-financial assets</i>				
Leasehold improvements	5.2	...	359	368
Plant and equipment	5.2	305	67	92
Intangibles	5.3	91	91	245
Other assets	5.4	505	704	673
<b>Total assets</b>		<b>1,194</b>	<b>1,423</b>	<b>2,061</b>
<b>Liabilities</b>				
Payables	6.1	49	117	36
Employee benefits	6.2	1,303	1,495	1,312
Other liabilities	6.3	54	71	557
<b>Total liabilities</b>		<b>1,406</b>	<b>1,683</b>	<b>1,905</b>
<b>Net assets/(liabilities)</b>		<b>(212)</b>	<b>(260)</b>	<b>156</b>
<b>Equity</b>				
Accumulated funds/(deficit)		(212)	(260)	156
<b>Total equity/(deficit)</b>		<b>(212)</b>	<b>(260)</b>	<b>156</b>

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

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

# TOURISM TASMANIA

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 BUDGET \$'000	2018 ACTUAL \$'000	2017 ACTUAL \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts - recurrent		29,301	28,176	26,800
Sales of goods and services		...	3	1
GST receipts	2.3	...	1,430	1,560
Other cash receipts	2.3	400	696	755
<b>Total cash inflows</b>		<b>29,701</b>	<b>30,305</b>	<b>29,116</b>
<b>Cash outflows</b>				
Employee benefits	2.3	(5,972)	(6,554)	(5,782)
Supplies and consumables	2.3	(5,527)	(4,014)	(3,828)
Grants and subsidies	2.3	(1,547)	(1,749)	(2,040)
GST payments		...	(1,790)	(1,717)
Advertising and promotion		(16,587)	(16,924)	(15,212)
Other cash payments		(68)	(85)	(59)
<b>Total cash outflows</b>		<b>(29,701)</b>	<b>(31,116)</b>	<b>(28,638)</b>
<b>Net cash from (used by) operating activities</b>	8.2	<b>...</b>	<b>(811)</b>	<b>478</b>
<b>Cash flows from investing activities</b>				
<b>Cash inflows</b>				
Proceeds of Sale of Non-Financial Assets		...	...	...
<b>Total cash inflows</b>		<b>...</b>	<b>...</b>	<b>...</b>
<b>Cash outflows</b>				
Payments for acquisition of non-financial assets		...	(36)	(130)
<b>Total cash outflows</b>		<b>...</b>	<b>(36)</b>	<b>(130)</b>
<b>Net cash from (used by) investing activities</b>		<b>...</b>	<b>(36)</b>	<b>(130)</b>
<b>Net increase (decrease) in cash held and cash equivalents</b>		<b>...</b>	<b>(847)</b>	<b>348</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>74</b>	<b>422</b>	<b>74</b>
<b>Cash and deposits at the end of the reporting period</b>	8.1	<b>74</b>	<b>(425)</b>	<b>422</b>

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

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

# TOURISM TASMANIA

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	ACCUMULATED FUNDS (DEFICIT) \$'000	TOTAL EQUITY (DEFICIT) \$'000
<b>Balance as at 1 July 2017</b>	<b>156</b>	<b>156</b>
Total comprehensive result	(416)	(416)
<b>Balance as at 30 June 2018</b>	<b>(260)</b>	<b>(260)</b>

	ACCUMULATED FUNDS (DEFICIT) \$'000	TOTAL EQUITY (DEFICIT) \$'000
<b>Balance as at 1 July 2016</b>	<b>141</b>	<b>141</b>
Total comprehensive result	15	15
<b>Balance as at 30 June 2017</b>	<b>156</b>	<b>156</b>

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 2018

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# NOTE 1

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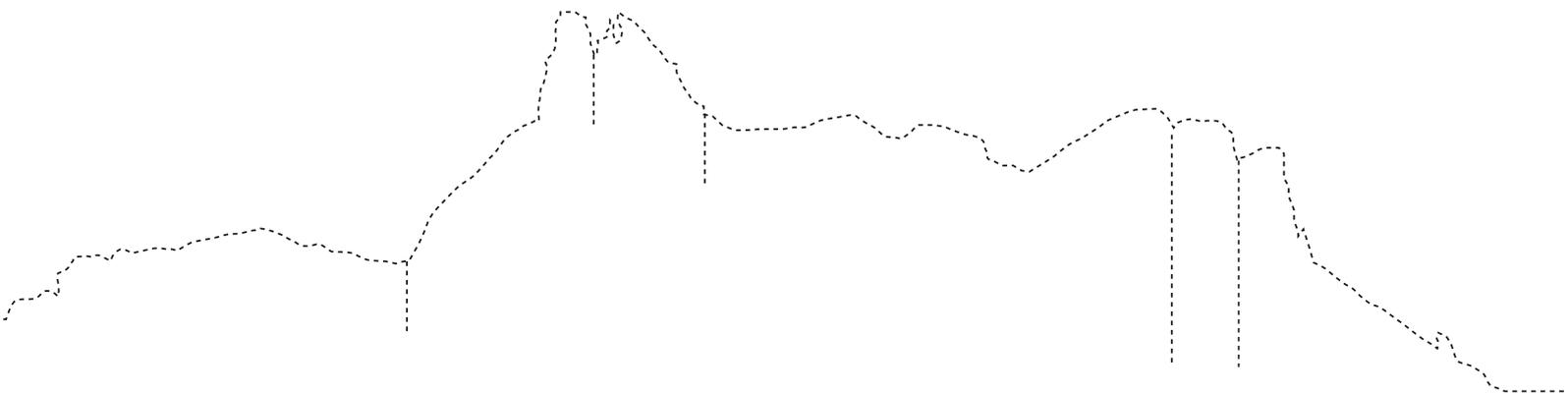
## TOURISM TASMANIA OUTPUT SCHEDULE

### 1.1 OUTPUT GROUP INFORMATION

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

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

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



## NOTE 2

### EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

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

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

#### 2.1 STATEMENT OF COMPREHENSIVE INCOME

	NOTE	BUDGET \$'000	ACTUAL \$'000	VARIANCE \$'000	VARIANCE %
Recoveries	(a)	400	683	283	71%
Employee benefits	(b)	5,972	6,653	(681)	(11%)
Supplies and consumables	(c)	5,527	3,929	1,598	29%
Grants and subsidies	(d)	1,547	1,749	(202)	(13%)
Other expenses	(e)	68	169	(101)	(149%)

##### NOTES TO STATEMENT OF COMPREHENSIVE INCOME VARIANCES

- (a) Recoveries, include contributions from Department of State Growth towards Tourism Industry Council (TICT) (\$0.03M), Regional Tourism Organisations (RTO) (\$0.23M), and Access and Aviation (\$0.2M) and a conversion Partner Marketing Activity contribution of (\$0.15M).
- (b) Employee Benefits were above the original budget mainly as a result of filling vacancies to expected FTE level.
- (c) Variance reflects re-allocation of funding to grants and advertising and promotion expenditure.
- (d) New grant for Wine Industry Tasmania and TICT and 2% increased funding for Regional Tourism bodies
- (e) Variance reflects higher than expected expenses during the year.

#### 2.2 STATEMENT OF FINANCIAL POSITION

	NOTE	BUDGET \$'000	2018 ACTUAL \$'000	2017 ACTUAL \$'000	BUDGET VARIANCE \$'000	ACTUAL VARIANCE \$'000
Cash and deposits	(a)	74	(425)	422	(499)	(847)
Receivables	(b)	219	627	261	408	366
Leasehold improvements	(c)	...	359	368	359	(9)
Plant and equipment	(d)	305	67	92	(238)	(25)
Other assets	(e)	505	704	673	199	31
Employee benefits	(f)	1,303	1,495	1,312	(192)	183

##### NOTES TO STATEMENT OF FINANCIAL POSITION VARIANCES

- (a) The balance mainly relates to GST and PAYG cash control accounts.
- (b) Predominantly the June GST refund receivable.
- (c) Budget included in P&E this year.
- (d) Budget amount also includes Leasehold improvements.
- (e) Variance to budget reflects higher than expected prepayments over the year end. Variance to prior years includes additional prepayment to Initiative Media Australia \$76,000, Taylor Nelson Sofres Australia \$35,000, Roy Morgan Research \$92,500 and Tourism Australia Aussie Specialist Program \$75,000.
- (f) Employee Benefits were above the original budget reflecting return to full FTE level.

#### 2.3 STATEMENT OF CASH FLOWS

	NOTE	BUDGET \$'000	ACTUAL \$'000	VARIANCE \$'000	VARIANCE %
Other cash receipts	(a)	400	696	296	74%
GST receipts	(b)	...	1,430	1,430	100%
GST payments	(c)	...	(1,790)	(1,790)	(100%)
Employee benefits	(d)	(5,972)	(6,554)	(582)	10%
Supplies and consumables	(e)	(5,527)	(4,014)	1,513	27%
Grants and subsidies	(f)	(1,547)	(1,749)	(202)	(13%)

##### NOTES TO STATEMENT OF CASH FLOWS VARIANCES

- (a) Recoveries, include contributions from Department of State Growth towards Tourism Industry Council (TICT) (\$0.03M, Regional Tourism Organisations (RTO) (\$0.23M), and Access and Aviation (\$0.2M) and a conversion Partner Marketing Activity contribution of (\$0.15M).
- (b) and (c) Net difference between GST receipts and payments \$0.36M. No budget set.
- (d) Employee Benefits were above the original budget reflecting return to full FTE level.
- (e) Variance reflects reallocation of funding to grants and advertising and promotion expenditure.
- (f) New grant for Wine Industry Tasmania and TICT for Qantas Tourism Awards and 2% increased funding for Regional Tourism bodies.

## NOTE 3

### INCOME FROM TRANSACTIONS

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

#### 3.1 REVENUE FROM GOVERNMENT

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

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

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

	2018 BUDGET \$'000	2018 ACTUAL \$'000	2017 ACTUAL \$'000
Appropriation revenue – recurrent			
Current year	29,301	28,676	26,800
Less: Revenue received in advance	...	...	(500)
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year:	...	500	...
Less: Revenue received in advance returned to Treasury	...	(500)	...
<b>Total revenue from Government</b>	<b>29,301</b>	<b>28,676</b>	<b>26,300</b>

The variation between the Budget and Actual is due to change in cash flow from 2017-18 to 2018-19 of \$0.625M.

#### 3.2 RECOVERIES

	2018 ACTUAL \$'000	2017 ACTUAL \$'000
Aviation and Access	200	200
Grants and Subsidies	260	260
Marketing activities	212	157
Other recoveries	11	22
<b>Total Recoveries</b>	<b>683</b>	<b>639</b>

**Note:** Recoveries include contributions from Department of State Growth towards Tourism Industry Council (TICT) (\$0.03M), Regional Tourism Organisations (RTO) (\$0.23M), and Access and Aviation (\$0.2M) and a conversion Partner Marketing Activity contribution of (\$0.15M).

## NOTE 4

### EXPENSES FROM TRANSACTIONS

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

#### 4.1 EMPLOYEE BENEFITS

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

##### (A) EMPLOYEE EXPENSES

	2018 \$'000	2017 \$'000
Wages and salaries	4,923	4,397
Annual leave	423	291
Long service leave	175	79
Sick leave	110	122
Superannuation – defined benefit scheme	63	53
Superannuation – contribution schemes	635	537
Other post-employment benefits	123	101
Other employee expenses	201	151
<b>Total</b>	<b>6,653</b>	<b>5,731</b>

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2017: 12.85 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2017: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.45 per cent (2017: 3.35 per cent) of salary in respect of employees who are members of contribution schemes.



## (B) REMUNERATION OF KEY MANAGEMENT PERSONNEL

2018	SHORT-TERM BENEFITS		LONG-TERM BENEFITS		TERMINATION BENEFITS \$'000	TOTAL \$'000
	SALARY \$'000	OTHER BENEFITS \$'000	SUPER ANNUATION \$'000	OTHER BENEFITS & LONG-SERVICE LEAVE \$'000		
<b>Board Members</b>						
James Cretan, Chairperson	52	...	5	...	...	57
Simon Carrant (to 1/9/2017)	6	...	1	...	...	7
Brett Torossi	32	...	3	...	...	35
Michelle Cox	29	...	3	...	...	32
Kate Vale	29	...	3	...	...	32
Rebecca King	29	...	3	...	...	32
Ian Rankine (from 5/9/2017)	24	...	2	...	...	26
<b>Management personnel</b>						
John Fitzgerald, CEO*	249	3	24	7	...	283
Mark Jones, Chief Operating Officer	159	6	15	(6)	...	174
Anthony Quarmby, Director of Consumer Marketing (to 29/9/2017)	53	(2)	5	(14)	...	42
Emma Terry, Chief Marketing Officer	216	25	21	3	...	265
Johan Van Pelt, Director Aviation & Access Development	169	...	15	...	...	184
<b>Total</b>	<b>1,047</b>	<b>32</b>	<b>100</b>	<b>(10)</b>	<b>...</b>	<b>1,169</b>

2017	SHORT-TERM BENEFITS		LONG-TERM BENEFITS		TERMINATION BENEFITS \$'000	TOTAL \$'000
	SALARY \$'000	OTHER BENEFITS \$'000	SUPER ANNUATION \$'000	OTHER BENEFITS & LONG-SERVICE LEAVE \$'000		
<b>Board Members</b>						
James Cretan, Chairperson	52	...	5	...	...	57
Simon Carrant	29	...	3	...	...	32
Brett Torossi	32	...	3	...	...	35
Michelle Cox	29	...	3	...	...	32
Kate Vale	29	...	3	...	...	32
Rebecca King	29	...	3	...	...	32
<b>Management personnel</b>						
John Fitzgerald, CEO*	243	7	23	11	...	284
Mark Jones, Chief Operating Officer	152	3	14	(2)	...	167
Anthony Quarmby, Director of Consumer Marketing	160	3	15	...	...	178
Guy Taylor, Executive Director of Marketing (to 28/8/2016)	33	1	3	...	...	37
Emma Terry, Chief Marketing Officer (from 2/5/2017)	34	1	3	...	...	38
Johan Van Pelt, Director Aviation & Access Development	165	...	15	...	...	180
<b>Total</b>	<b>987</b>	<b>15</b>	<b>93</b>	<b>9</b>	<b>-</b>	<b>1,104</b>

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

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

Remuneration during 2017-18 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Short-term benefits include motor vehicle and car parking fringe benefits in addition to annual leave and any other short term benefits. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis. Long term employee expenses include long service leave, superannuation obligations and termination payments.

### Acting Arrangements

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

### (C) RELATED PARTY TRANSACTIONS

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

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

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

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

	2018 AGGREGATE VALUE OF TRANSACTIONS \$'000	30 JUNE 2018 TOTAL AMOUNT OUTSTANDING OR COMMITTED \$'000
Purchase of goods (on commercial arm's length terms)	4	...

### 4.2 DEPRECIATION AND AMORTISATION

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

Leasehold improvements                      10 years

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

Plant and equipment                              3-25 years

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

Software    5 years

#### (A) DEPRECIATION

	2018 \$'000	2017 \$'000
Plant and equipment	25	1
<b>Total</b>	<b>25</b>	<b>1</b>

#### (B) AMORTISATION

	2018 \$'000	2017 \$'000
Intangibles	155	155
Leasehold Improvements	45	37
<b>Total</b>	<b>200</b>	<b>192</b>
<b>Total depreciation and amortisation</b>	<b>225</b>	<b>193</b>

### 4.3 SUPPLIES AND CONSUMABLES

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

	2018 \$'000	2017 \$'000
Audit fees – financial audit	42	48
Audit fees – internal audit	62	62
Operating lease costs	414	423
Consultants	91	22
Contracted services	618	514
Corporate overhead fee	1,000	1,214
Property expenses	99	52
Maintenance	12	36
Communications	129	96
Information technology	705	728
Travel and transport	380	369
Other supplies and consumables	377	244
<b>Total</b>	<b>3,929</b>	<b>3,808</b>

### 4.4 GRANTS AND SUBSIDIES

Grant and subsidies expenditure is recognised to the extent that:

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

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

	2018 \$'000	2017 \$'000
Regional Tourism Organisations support	919	1,500
Contribution to Tasmanian Visitor Information Network (TVIN)	340	340
Contribution to Tourism Industry Council Tasmania (TICT)	240	200
Wine Industry Tasmania	250	...
<b>Total</b>	<b>1,749</b>	<b>2,040</b>

Variation in Regional Tourism Organisations support is due to Quarter 1 funding in 2018 paid in 2017. TICT contribution includes \$40,000 for Qantas Australian Tourism Awards.



## 4.5 ADVERTISING AND PROMOTION

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

	2018 \$'000	2017 \$'000
On-line advertising	3,944	3,419
Media advertising	3,393	2,107
Co-operative/partnership marketing	3,984	3,706
Industry trade promotions	527	493
Visiting Journalist Program (VJP) expenses	617	694
Other advertising/promotional expenses	855	1,591
Contracted Services - Marketing	3,564	2,693
Non staff travel expenses	169	332
<b>Total</b>	<b>17,053</b>	<b>15,035</b>

Total Direct Marketing Spend of \$18,342 million for 2018 which includes advertising and promotion of \$17,053 million but also comprised of Supplies and Consumables \$1.15 million and Employee Benefits for Guide Salaries of \$134,500.

## 4.6 OTHER EXPENSES

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

	2018 \$'000	2017 \$'000
Salary on-costs	57	52
Training seminars and conferences	85	59
Workplace health, safety and wellbeing	17	3
Other	10	3
<b>Total</b>	<b>169</b>	<b>117</b>



## NOTE 5

### 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.

#### 5.1 RECEIVABLES

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

	2018 \$'000	2017 \$'000
Receivables	...	1
Tax assets	627	260
<b>Total</b>	<b>627</b>	<b>261</b>
Settled within 12 months	627	261
Settled in more than 12 months	...	...
<b>Total</b>	<b>627</b>	<b>261</b>

#### 5.2 LEASEHOLD IMPROVEMENTS AND PLANT AND EQUIPMENT

##### (I) VALUATION BASIS

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

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

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

##### (II) SUBSEQUENT COSTS

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

##### (III) ASSET RECOGNITION THRESHOLD

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



## LEASEHOLD IMPROVEMENTS

(A) CARRYING AMOUNT	2018 \$'000	2017 \$'000
<b>Leasehold improvements</b>		
At cost	446	370
Less: Accumulated amortisation	(104)	(58)
	342	312
Work in progress (at cost)	17	56
<b>Total leasehold improvements</b>	<b>359</b>	<b>368</b>

## (B) RECONCILIATION OF MOVEMENTS

	2018 \$'000	2017 \$'000
<b>Carrying amount at 1 July</b>	<b>368</b>	<b>349</b>
Additions	36	55
Disposals	...	...
Amortisation expense	(45)	(36)
<b>Carrying amount at 30 June</b>	<b>359</b>	<b>368</b>

## PLANT AND EQUIPMENT

(C) CARRYING AMOUNT	2018 \$'000	2017 \$'000
<b>Plant and equipment</b>		
At cost	92	93
Less: Accumulated amortisation	(25)	(1)
<b>Total plant and equipment</b>	<b>67</b>	<b>92</b>

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

## (D) RECONCILIATION OF MOVEMENTS

	2018 \$'000	2017 \$'000
<b>Carrying amount at 1 July</b>	<b>92</b>	<b>...</b>
Additions	...	93
Depreciation expense	(25)	(1)
<b>Carrying amount at 30 June</b>	<b>67</b>	<b>92</b>

## 5.3 INTANGIBLES

An intangible asset is recognised where:

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

Intangible assets held by Tourism Tasmania are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists.

Where no active market exists, intangibles are valued at cost less any accumulated amortisation and any accumulated impairment losses.

## (A) CARRYING AMOUNT

	2018 \$'000	2017 \$'000
<b>Intangibles with a finite useful life</b>		
Software at cost	776	776
Less: Accumulated amortisation	(685)	(531)
<b>Total</b>	<b>91</b>	<b>245</b>

## (B) RECONCILIATION OF MOVEMENTS

	2018 \$'000	2017 \$'000
<b>Carrying amount at 1 July</b>	<b>245</b>	<b>400</b>
Amortisation expense	(154)	(155)
<b>Carrying amount at 30 June</b>	<b>91</b>	<b>245</b>

## 5.4 OTHER ASSETS

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

	2018 \$'000	2017 \$'000
<b>Other assets</b>		
Prepayments	704	673
<b>Total</b>	<b>704</b>	<b>673</b>
Utilised within 12 months	703	672
Utilised in more than 12 months	1	1
<b>Total</b>	<b>704</b>	<b>673</b>

Prepayments are for contracted commitments or annual subscriptions that are all to be expended over a 12 month period.



## NOTE 6

### 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.

#### 6.1 PAYABLES

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

	2018 \$'000	2017 \$'000
Creditors	110	36
Accrued expenses	7	...
<b>Total</b>	<b>117</b>	<b>36</b>
Settled within 12 months	117	36
Settled in more than 12 months	...	...
<b>Total</b>	<b>117</b>	<b>36</b>

Settlement is usually made within 30 days.

#### 6.2 EMPLOYEE BENEFITS

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

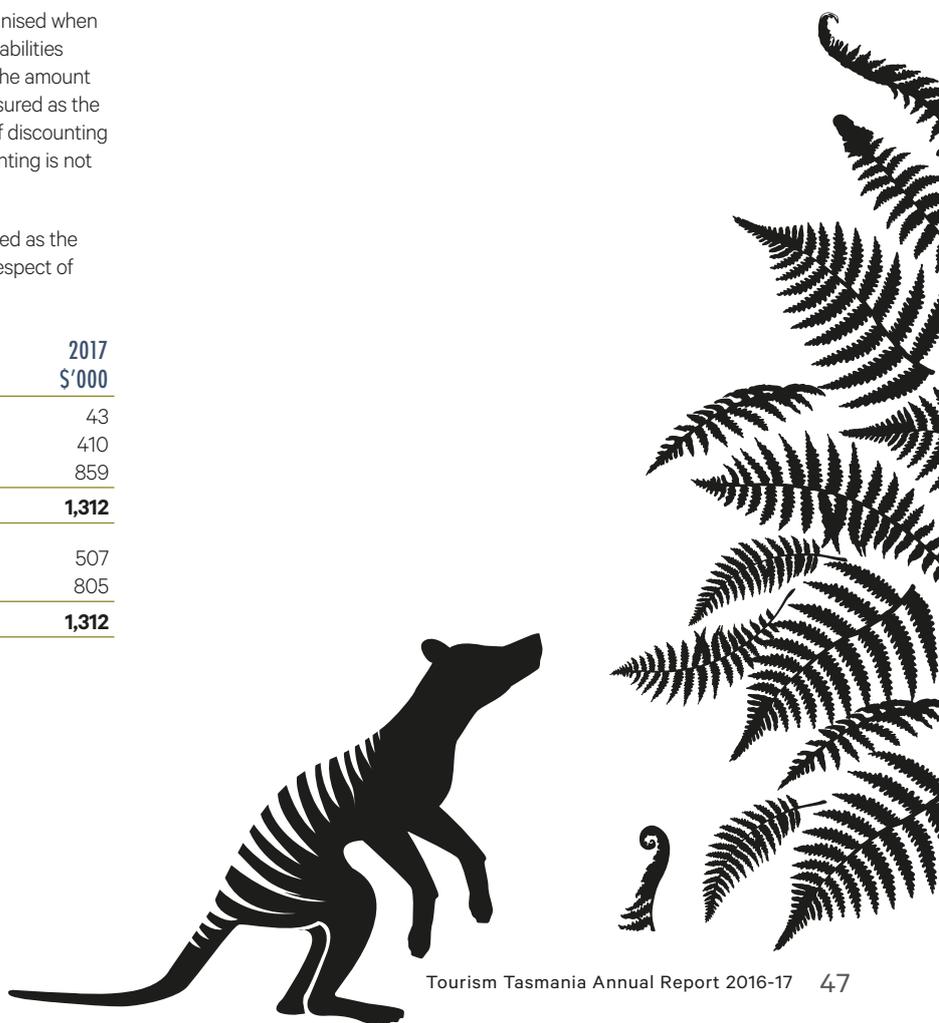
A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2018 \$'000	2017 \$'000
Accrued salaries	70	43
Annual leave	473	410
Long service leave	952	859
<b>Total</b>	<b>1,495</b>	<b>1,312</b>
Settled within 12 months	637	507
Settled in more than 12 months	858	805
<b>Total</b>	<b>1,495</b>	<b>1,312</b>

#### 6.3 OTHER LIABILITIES

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

	2018 \$'000	2017 \$'000
<b>Other liabilities</b>		
Appropriation carried forward from under section 8A of the <i>Public Account Act 1986</i>	...	500
Employee benefits – on-costs	10	8
PAYG withholding tax liability	61	49
<b>Total</b>	<b>71</b>	<b>557</b>
Settled within 12 months	65	554
Settled in more than 12 months	6	3
<b>Total</b>	<b>71</b>	<b>557</b>



## NOTE 7

### COMMITMENTS AND CONTINGENCIES

#### 7.1 SCHEDULE OF COMMITMENTS

	2018 \$'000	2017 \$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	4,035	4,091
<b>Total lease commitments</b>	<b>4,035</b>	<b>4,091</b>
<i>Other Commitments</i>		
Program commitments	9,250	9,280
<b>Total other commitments</b>	<b>9,250</b>	<b>9,280</b>
<b>Total</b>	<b>13,285</b>	<b>13,371</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	493	441
From one to five years	2,498	2,215
More than five years	1,044	1,435
<b>Total lease commitments</b>	<b>4,035</b>	<b>4,091</b>
<i>Other commitments</i>		
One year or less	5,283	4,363
From one to five years	3,967	4,917
More than five years	...	...
<b>Total other commitments</b>	<b>9,250</b>	<b>9,280</b>
<b>Total</b>	<b>13,285</b>	<b>13,371</b>

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

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

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

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

#### 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 2018, Tourism Tasmania did not have any contingent assets or liabilities.

## NOTE 8

### CASH FLOW RECONCILIATION

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

#### 8.1 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.

	2018 \$'000	2017 \$'000
<b>Special Deposits and Trust Fund balance</b>		
T535 Operating Account	(426)	421
<b>Total</b>	<b>(426)</b>	<b>421</b>
<b>Other cash held</b>		
Petty cash float	1	1
<b>Total</b>	<b>1</b>	<b>1</b>
<b>Total cash and deposits</b>	<b>(425)</b>	<b>422</b>

\$622,000 GST refund was received in July 2018 (refer note 5.1) clearing the overdrawn account. Treasurer's approval to overdraw the operating account up to \$200,000 is held to cover the monthly GST payment pending receipt of the refund, however payments in June 2018 exceeded the limit. Approval for an increased overdraft limit \$500,000 has subsequently been sought from the Treasurer.

#### 8.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2018 \$'000	2017 \$'000
<b>Net result</b>	<b>(416)</b>	<b>15</b>
Increase (decrease) S8A(2) Carry forwards	(500)	500
Depreciation and amortisation	225	193
Acquisition of plant and equipment	...	(20)
Decrease (increase) in Receivables	(366)	(42)
Decrease (increase) in Other assets	(31)	(168)
Increase (decrease) in Employee benefits	183	9
Increase (decrease) in Payables	81	(13)
Increase (decrease) in Other liabilities	13	4
<b>Net cash from (used by) operating activities</b>	<b>(811)</b>	<b>478</b>



# NOTE 9

## FINANCIAL INSTRUMENTS

### 9.1 RISK EXPOSURES

#### (A) RISK MANAGEMENT POLICIES

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

- credit risk;
- liquidity risk;

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

#### (B) CREDIT RISK EXPOSURES

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

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

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

FINANCIAL INSTRUMENT	ACCOUNTING AND STRATEGIC POLICIES (including recognition criteria, measurement basis and credit quality of instrument)	NATURE OF UNDERLYING INSTRUMENT (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Tourism Tasmania does not earn any interest on funds held.

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

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

#### Analysis of financial assets that are past due at 30 June 2018 but not impaired

	NOT PAST DUE \$'000	PAST DUE >30 DAYS \$'000	PAST DUE >60 DAYS \$'000	PAST DUE >90 DAYS \$'000	TOTAL \$'000
Receivables	...	...	...	...	...

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

	NOT PAST DUE \$'000	PAST DUE >30 DAYS \$'000	PAST DUE >60 DAYS \$'000	PAST DUE >90 DAYS \$'000	TOTAL \$'000
Receivables	1	...	...	...	1

#### (C) LIQUIDITY RISK

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

FINANCIAL INSTRUMENT	ACCOUNTING AND STRATEGIC POLICIES (including recognition criteria and measurement basis)	NATURE OF UNDERLYING INSTRUMENT (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
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#### 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.
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The following tables detail the undiscounted cash flows payable by Tourism Tasmania relating to the remaining contractual maturity for its financial liabilities:

#### 2018

##### 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	UNDISCO UNTED TOTAL \$'000	CARRYING AMOUNT \$'000
<b>Financial liabilities</b>								
Payables	117	...	...	...	...	...	117	117
<b>Total</b>	<b>117</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>117</b>	<b>117</b>

#### 2017

##### MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

	1 YEAR \$'000	2 YEARS \$'000	3 YEARS \$'000	4 YEARS \$'000	5 YEARS \$'000	MORE THAN 5 YEARS \$'000	UNDISCO UNTED TOTAL \$'000	CARRYING AMOUNT \$'000
<b>Financial liabilities</b>								
Payables	36	...	...	...	...	...	36	36
<b>Total</b>	<b>36</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>36</b>	<b>36</b>

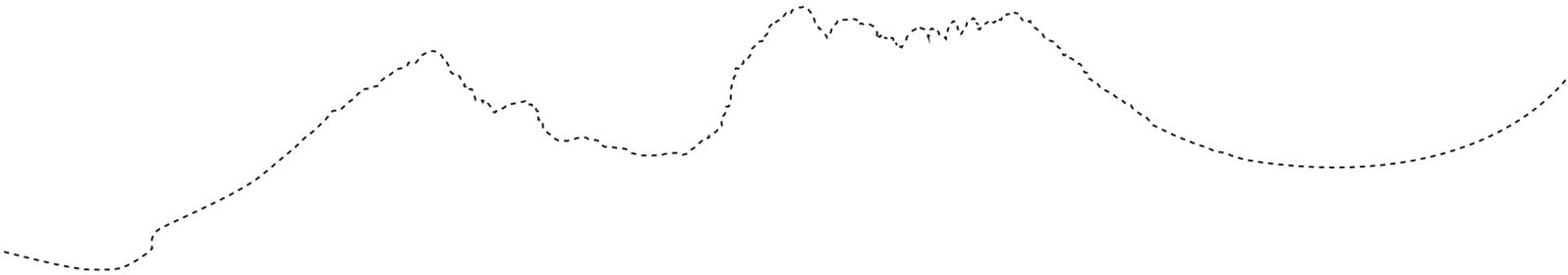


# NOTE 10

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## 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 2018.



## OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

### 11.1 OBJECTIVES AND FUNDING

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

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

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

Tourism Tasmania activities are classified as controlled.

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

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

### 11.2 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*.

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 11.5.

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

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

### 11.3 REPORTING ENTITY

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

### 11.4 FUNCTIONAL AND PRESENTATION CURRENCY

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

### 11.5 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:

- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure of financial activities in relation to cash flows and non-cash changes. There is no financial impact.
- *2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* – The objective of this Standard is to amend AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*, and AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The impact is enhanced disclosure in relation to non-cash-generating specialised assets of not-for-profit entities. There is no financial impact.

#### (B) IMPACT OF NEW AND REVISED ACCOUNTING STANDARDS YET TO BE APPLIED

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

- *AASB 9 Financial Instruments* and *2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* – the objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts,

timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. Tourism Tasmania has determined that the potential impact is nil.

- **AASB 15 Revenue from Contracts with Customers** – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with *AASB 2016-7 Amendments to Australian Accounting Standards - Effective Date of AAS 15*, for not for profit entities this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. Tourism Tasmania has determined the potential effect of the revised Standard will not be material.
- **2014-5 Amendments to Australian Accounting Standards arising from AASB 15** – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of *AASB 15 Revenue from Contracts with Customers*. This Standard applies AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied. Tourism Tasmania has not yet determined the potential effect of the revised Standard.
- **2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15** – The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. Tourism Tasmania has determined that the potential impact is nil.
- **AASB 16 Leases** – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result in most of the Tourism Tasmania operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value assets and short-term leases with a term at commencement of less than 12 months. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. Tourism Tasmania current operating lease costs is shown in note 4.3. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on Tourism Tasmania current operating lease position can be found in note 8.1.
- **AASB 1058 Income of Not-for-Profit Entities** – The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods

beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. Tourism Tasmania has determined that there is no financial impact.

- **AASB 1059 Service Concession Arrangements: Grantors** – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This AASB Standard applies on or after 1 January 2019. The impact of this standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. There is no financial impact.



## 11.6 FOREIGN CURRENCY

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

## 11.7 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of any changes in accounting policy on comparative figures are at Note 11.5.

## 11.8 ROUNDING

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

## 11.9 TAXATION

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

## 11.10 GOODS AND SERVICES TAX

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

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

## 11.11 NON TRADED INVESTMENTS

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

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





## **Independent Auditor's Report**

### **To the Members of Parliament**

#### **Tourism Tasmania**

#### **Report on the Audit of the Financial Statements**

### **Opinion**

I have audited the financial statements of Tourism Tasmania (the Authority), which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Chair of the Board and Chief Executive Officer.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the financial position of the Authority as at 30 June 2018 and of its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Tourism Tasmania Act 1996*, *Financial Management and Audit Act 1990* and Australian Accounting Standards.

### **Basis for Opinion**

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

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

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

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

### **Responsibilities of Management and the Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



James Hay  
**Senior Manager Financial Audit**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

20 September 2018  
Hobart

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